

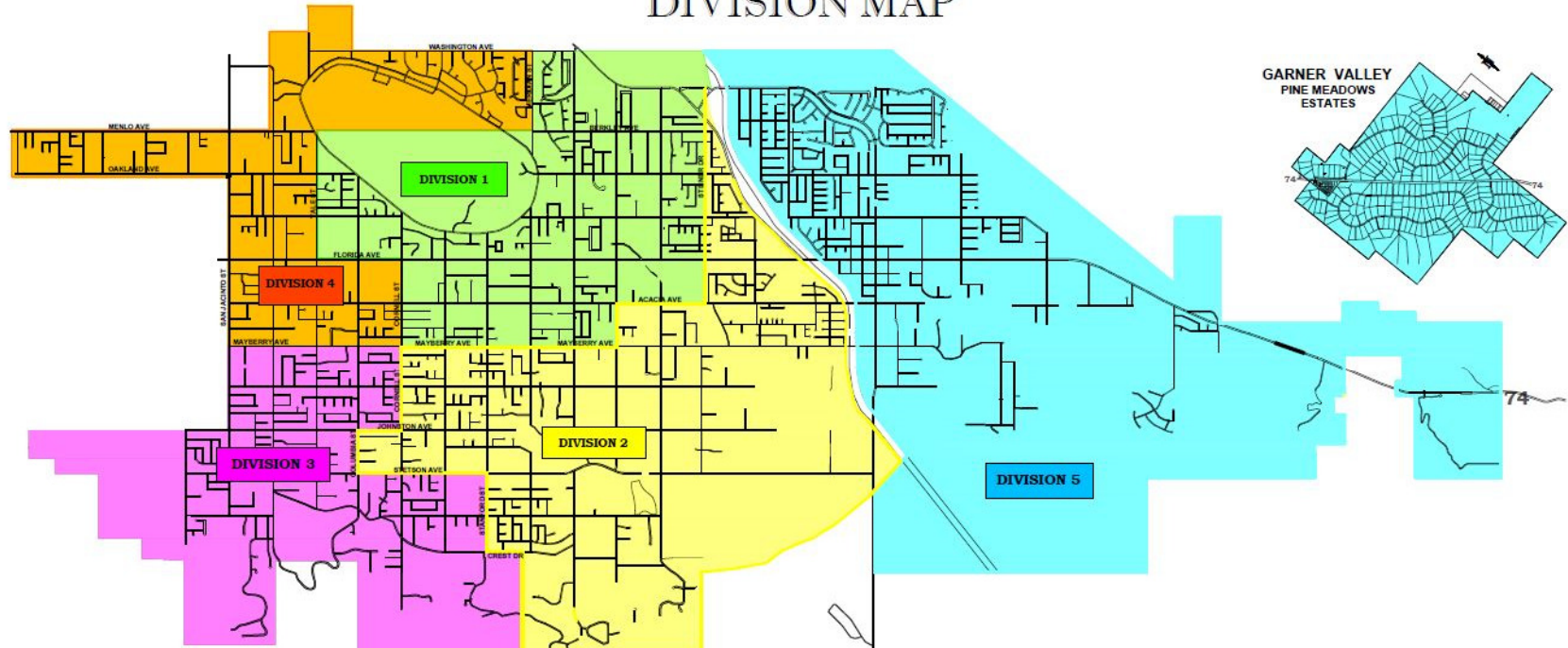
Lake Hemet Municipal Water District

# GARNER VALLEY RATE STUDY



Presented August 10, 2017

# LAKE HEMET MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS DIVISION MAP



	DIVISION 1	FRANK D. MARSHALL III	DIRECTOR
	DIVISION 2	FRANK D. GORMAN	PRESIDENT
	DIVISION 3	TODD A. FOUTZ	SECRETARY/TREASURER
	DIVISION 4	LARRY MINOR	VICE-PRESIDENT
	DIVISION 5	RICK HOFFMAN	DIRECTOR

# INTRODUCTION/BACKGROUND

The mission of Lake Hemet Municipal Water District is to produce and **deliver high quality water to our customers for domestic and agricultural use, to provide sewer collection service and to maintain Lake Hemet as a clean and safe water reservoir and recreational facility** in an economical, efficient and responsible manner now and in the future.



# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

# BOARD DIRECTION MAY 18 MTG.

- Consensus District is not collecting sufficient revenue from irrigation and Garner Valley customers to fund expenses.
- Irrigation
  - \$724/af is average cost of gravity system irrigation service
  - \$860/af is rate to cover costs and restore reserves at \$1M/year from last domestic increase
  - Existing Potable irrigation rate to match Tier 1 Domestic
  - New Potable Irrigation to match Tier 1 through 5 Domestic
  - Meet with growers to review rate impacts and phasing options
- Garner Valley:
  - Past \$1.7M debt to be repaid over 20 years at no interest
  - Fund 66% of ~\$145,000/year depreciation
  - Rate increase of 3%/year for each year since last increase, 23% total
  - Service charge to match Hemet-San Jacinto area

## BOARD DIRECTION JUNE 15 MTG.

- Consensus District is not collecting sufficient revenue from Garner Valley customers to fund expenses.
- Garner Valley Prop. 218 Notice to include:
  - Increase usage rates by 23%
  - Service charge to match Hemet-San Jacinto area
  - Phase in 50% per year over 2 years.

# PROP. 218 NOTICE Page 1

## Board of Directors

Frank D. Goman  
President  
Division 2

Larry Minor  
Vice President  
Division 4

Todd A. Foutz  
Secretary / Treasurer  
Division 3

Rick Hoffman  
Division 5

Frank D. Marshall  
Division 1



Mailing Address: P.O. Box 5039, Hemet, CA 92544-0039  
26385 Fairview Avenue, Hemet, CA  
Phone: 951/858-3241 Fax 951/766-7031  
[www.lhmwd.org](http://www.lhmwd.org)

## Staff

Thomas W. Wagener  
General Manager

Mike Gow  
ACIM / Chief Engineer

Karen Hornbarger  
Asst. Secretary/Treasurer

LeAnn Markham  
Manager, Admin Services

Mitchell J. Freeman  
Manager, Operations

Richard Johnson  
Manager, Construction

June 20, 2017

## PROPOSITION 218 NOTICE OF PUBLIC HEARING

### PROPOSED INCREASES TO RATES FOR WATER SERVICES

**NOTICE IS HEREBY GIVEN** that the Lake Hemet Municipal Water District (the "District") will conduct a Public Hearing on **Thursday, August 10, 2017 at 5:30 pm at the Garner Valley POA Building and on August 17, 2017, 5:30 p.m. at the LHMWD Headquarters, 26385 Fairview Avenue, Hemet,** as part of its Regularly Scheduled monthly Board meeting, for the purpose of discussing and possibly adopting the following:

- (i) An increase in potable water usage rates in Garner Valley for domestic, residential, commercial and irrigation customers as shown in the Table I below.
- (ii) An increase in the water service charge (by meter size) to domestic, residential, commercial, and irrigation customers in Garner Valley as shown in the Table II below.
- (iii) An increase in non-potable water usage rates for irrigation customers as shown in the Table III below.
- (iv) To allow any wholesale rate increases in the next 5 years imposed by Eastern Municipal Water District and Metropolitan Water District on the District to be passed through to District customers, subject to the provisions of Government Code Section 53756.
- (v) To allow the District to impose inflationary water usage rate increases based on the CPI-U for the Los Angeles-Riverside-Orange County areas on an annual basis at a rate not to exceed three percent (3%) per year over the next 5 years. Any such increase would be subject to the provisions of Government Code Section 53756.

Any formal action by the Board of Directors on any of the above rate proposals will occur at or after the August 17, 2017 public hearing.

The District's rates for domestic potable water in the Hemet/San Jacinto Valley remain will remain as previously approved in 2015 and will only be adjusted in the future to cover pass-through and CPI costs. However, the District has incurred other costs in Garner Valley and, due to the drought, the District has had to import a significant amount of non-potable water for the agricultural customers at higher costs. This notice is sent to all customers based on the latest and best legal interpretation because the District's costs from one customer category can impact the rates to other customers depending on the allocation of those costs.

# PROP. 218 NOTICE Page 2

**GARNER VALLEY:**

Garner Valley has not had any rate increase since 2010. Current rates generate \$250,000 and taxes generate \$217,000 annually and barely fund the \$465,000 in annual operational costs. However, due to other operational costs, the cumulative operational deficit in the Garner Valley system is \$1.7M. In addition, only 20% of the annual \$145,000 depreciation has been funded. To pay back the deficit over 20 years (no interest) and funding 66% of depreciation, the usage rates will be increased by 3% for each year since the last increase (23% total) as shown in Table I and the service charge will match the other areas of the District as shown in Table II. Also, with groundwater being the only source of water for Garner Valley and the requirement that the rates be reasonably based on the cost of service, the current tiers will be consolidated into a single rate.

**TABLE I – Garner Valley Potable Usage Rates**

PHASE	TIER	1	2	3	4	5
CURRENT	BI-MONTHLY WATER USAGE (HCF)	0 to 20	20 to 50	50 to 150	150 to 250	> 250
	RATE (\$/HCF)	\$1.626	\$1.913	\$2.271	\$2.981	\$3.711
	AVERAGE (\$/HCF)	\$2.28				
PROPOSED YEAR 1	INCREASE	\$0.26				
	TOTAL RATE (\$/HCF)	\$2.54				
PROPOSED YEAR 2	INCREASE (\$/HCF)	\$0.27				
	TOTAL RATE (\$/HCF)	\$2.81				

1. HCF means hundred cubic feet which is approximately 748 gallons.
2. Rates are rounded and will be applied to the nearest \$0.01.

**TABLE II – Garner Valley Bi-Monthly Service Charge**

		METER SIZE					
		< 3/4"	1"	1½"	2"	3"	4"
CURRENT		\$37.26	\$37.26	\$37.26	\$37.26	\$37.26	\$37.26
PROPOSED YEAR 1	INCREASE	\$12.28	\$16.22	\$26.03	\$37.80	\$69.31	\$104.72
	TOTAL	\$49.54	\$53.48	\$63.29	\$75.06	\$106.57	\$141.98
PROPOSED YEAR 2	INCREASE	\$12.28	\$16.22	\$26.03	\$37.80	\$69.31	\$104.72
	TOTAL	\$61.82	\$69.70	\$89.32	\$112.86	\$175.88	\$246.70

**EXAMPLE  
GARNER  
VALLEY  
AVERAGE  
WATER  
BILL**

LHMWD's average customer in Garner Valley uses approximately 565 gallons of water each day throughout the year. This amounts to 48 HCF (billing units) over a 2-month billing period. The average customer's bill would then be calculated as follows (excluding other applicable charges such as lift charges, sewer and trash collection charges, and/or other City services):

				Current Rates	New Rates In Year 2
Water Service Charge (residential Customer with a 1" meter)				\$37.26	\$69.70
<b>Water Commodity Based Charges</b>					
Water Usage (Tier 1)	20	HCF	@	\$1.626	\$32.52
Water Usage (Tier 2)	26	HCF	@	\$1.913	\$49.74
Water Usage (Tier 3)	0	HCF	@	\$2.271	\$0.00
Water Usage (Tier 4)	0	HCF	@	\$2.981	\$0.00
Water Usage (Tier 5)	no usage	HCF	@	\$3.711	\$0.00
Subtotal	46			\$82.26	\$120.20
<b>Total Charges (Service Charge + Commodity Charge)</b>				\$119.52	\$198.96
<b>Increase in Bi-Monthly Bill in Year 2</b>					\$79.44



# PROP. 218 NOTICE Page 3

## IRRIGATION WATER:

The District is faced with large increased costs for importing water especially for non-potable irrigation water. Over the last 5 years, the amount of non-potable water coming from the local streams and lake has decreased and the amount of purchased imported water has increased. Purchased imported water presently costs \$828/acre-foot compared to no purchase cost for local run-off. This shift in non-potable water supply increased water costs by as much as \$4.3M/year. To cover the increased costs, the non-potable irrigation rates will be increased based on the estimated cost of providing the sources of water in the average amounts actually supplied over the last 5 years. This rate will be increased over 5 years to ultimately restore \$1M/year into reserves which were depleted due to increased volume and associated costs of imported water as shown in Table III.

TABLE III – Irrigation Water Monthly Usage Rates

RATE		IR1	IR2	IR3	504AG	505AG
CURRENT	(\$/AF)	\$562	\$567	\$636	\$754	\$93.81
PROPOSED	INCREASE (\$/AF/YR)	\$54	\$54	\$100	\$100	\$0
	YEAR 1 TOTAL	\$616	\$621	\$736	\$854	\$94
	YEAR 2 TOTAL	\$670	\$675	\$836	\$954	\$94
	YEAR 3 TOTAL	\$724	\$729	\$936	\$1,014	\$94
	YEAR 4 TOTAL	\$778	\$783	\$1,014	\$1,014	\$94
	YEAR 5 TOTAL	\$832	\$837	\$1,014	\$1,014	\$94
	EMERGENCY	\$860	\$865	N/A	N/A	N/A

- NOTES:**
1. Rates rounded to and applied to the nearest \$1.
  2. These rates apply to both all commercial and special growers.

IR3 and 504AG rates for irrigation water from the potable system will match the Tier 1 rate for Potable Water. Existing accounts will be locked into Tier 1 for their entire usage. New potable irrigation accounts will be subject to Tier volumes and corresponding rate for potable water.

A rate of \$860/AF for IR1 was justified in the study to restore reserves. If emergency conditions warrant as reviewed and approved by the Board of Directors, the rate may be implemented for irrigation water from the non-potable system.

# PROP. 218 NOTICE Page 4

If adopted, the proposed rates will become effective October 1, 2017 in the first year and July 1 for each year thereafter starting in 2018 for rate increases that are implemented in phases.

Pursuant to Section 53756, an agency providing water, sewer or refuse collection can adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water or adjustments for inflation, if it complies with all of the following:

- a) The schedule of fees or charges is for a period not to exceed 5 years pursuant to 53755.
- b) The schedule of fees may include a schedule of adjustments, including a clearly defined formula for adjusting for inflation. An inflation adjustment to a fee or charge for a property-related service shall not exceed the cost of providing the service.
- c) The schedules of fees or charges for an agency that purchases wholesale water from a public agency may provide for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges established by the other agency.
- d) Notice of any adjustment pursuant to the schedule shall be given pursuant to subdivision (a) of Section 53755 not less than 30 days before the effective date of the adjustment.

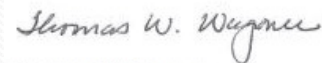
Any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer is in opposition to the proposed water rate increases and/or charges; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer submitting the protest.

Written protests may be submitted by mail to the Secretary of the Board of Directors, P.O. Box 5039, Hemet, CA 92544-0039 or in person at 26385 Fairview Avenue, Hemet, California 92544; or at the public hearing, so long as they are received prior to the conclusion of the public hearing on August 17, 2017. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Secretary, that the enclosed letter is for the Public Hearing on the Proposed Increases to Water Rates and Charges.

The Lake Hemet Municipal Water District Board of Directors will hear and consider all written and oral protests to the proposed rates and charges at the Public Hearing. Upon conclusion of the Public Hearing on August 17, 2017, the Board of Directors will consider adoption of the proposed rates and charges. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If written protests against the proposed rates and charges as outlined above are not presented by a majority of property owners or customers of the identified parcels upon which the rates and charges are proposed to be imposed on, the Board will be authorized to impose the rates and charges, including passing through any incremental increases in the rates for the purchase of imported wholesale water from Eastern Municipal Water District and Metropolitan Water District and inflationary increases based on CPI.

If you have any questions regarding the proposed increases or the process for submitting a protest, please call the District at (951) 658-3241.

Sincerely,



Thomas W. Wagoner  
General Manager

**GARNER VALLEY:**

Garner Valley has not had any rate increase since 2010. Current rates generate \$250,000 and taxes generate \$217,000 annually and barely fund the \$465,000 in annual operational costs. However, due to other operational costs, the cumulative operational deficit in the Garner Valley system is \$1.7M. In addition, only 20% of the annual \$145,000 depreciation has been funded. To pay back the deficit over 20 years (no interest) and funding 66% of depreciation, the usage rates will be increased by 3% for each year since the last increase (23% total) as shown in Table I and the service charge will match the other areas of the District as shown in Table II. Also, with groundwater being the only source of water for Garner Valley and the requirement that the rates be reasonably based on the cost of service, the current tiers will be consolidated into a single rate.

**TABLE I – Garner Valley Potable Usage Rates**

PHASE	TIER	1	2	3	4	5
CURRENT	BI-MONTHLY WATER USAGE (HCF)	0 to 20	20 to 50	50 to 150	150 to 250	> 250
	RATE (\$/HCF)	\$1.626	\$1.913	\$2.271	\$2.981	\$3.711
	AVERAGE (\$/HCF)	\$2.28				
PROPOSED YEAR 1	INCREASE	\$0.26				
	TOTAL RATE (\$/HCF)	\$2.54				
PROPOSED YEAR 2	INCREASE (\$/HCF)	\$0.27				
	TOTAL RATE (\$/HCF)	\$2.81				

1. HCF means hundred cubic feet which is approximately 748 gallons.
2. Rates are rounded and will be applied to the nearest \$0.01.

**TABLE II – Garner Valley Bi-Monthly Service Charge**

		METER SIZE					
		< 3/4"	1"	1½"	2"	3"	4"
<b>CURRENT</b>		\$37.26	\$37.26	\$37.26	\$37.26	\$37.26	\$37.26
<b>PROPOSED YEAR 1</b>	<b>INCREASE</b>	\$12.28	\$16.22	\$26.03	\$37.80	\$69.31	\$104.72
	<b>TOTAL</b>	\$49.54	\$53.48	\$63.29	\$75.06	\$106.57	\$141.98
<b>PROPOSED YEAR 2</b>	<b>INCREASE</b>	\$12.28	\$16.22	\$26.03	\$37.80	\$69.31	\$104.72
	<b>TOTAL</b>	\$61.82	\$69.70	\$89.32	\$112.86	\$175.88	\$246.70

**EXAMPLE  
GARNER  
VALLEY  
AVERAGE  
WATER  
BILL**

LHMWD's average customer in Garner Valley uses approximately 565 gallons of water each day throughout the year. This amounts to 46 HCF (billing units) over a 2-month billing period. The average customer's bill would then be calculated as follows (excluding other applicable charges such as lift charges, sewer and trash collection charges, and/or other City services):

						Current Rates	New Rates In Year 2	
<b>Water Service Charge (residential Customer with a 1" meter)</b>						\$37.26		\$69.70
<b>Water Commodity Based Charges</b>								
Water Usage (Tier 1)	20	HCF	@	\$1.626	\$32.52	\$2.81	\$56.20	
Water Usage (Tier 2)	26	HCF	@	\$1.913	\$49.74	\$2.81	\$73.06	
Water Usage (Tier 3)	0	HCF	@	\$2.271	\$0.00	\$2.81	\$0.00	
Water Usage (Tier 4)	0	HCF	@	\$2.981	\$0.00	\$2.81	\$0.00	
Water Usage (Tier 5)	no usage	HCF	@	\$3.711	0.00	\$2.81	\$0.00	
<b>Subtotal</b>	<b>46</b>				<b>\$82.26</b>		<b>\$129.26</b>	
<b>Total Charges (Service Charge + Commodity Charge)</b>						<b>\$119.52</b>		<b>\$198.96</b>
<b>Increase in Bi-Monthly Bill in Year 2</b>								<b>\$79.44</b>

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

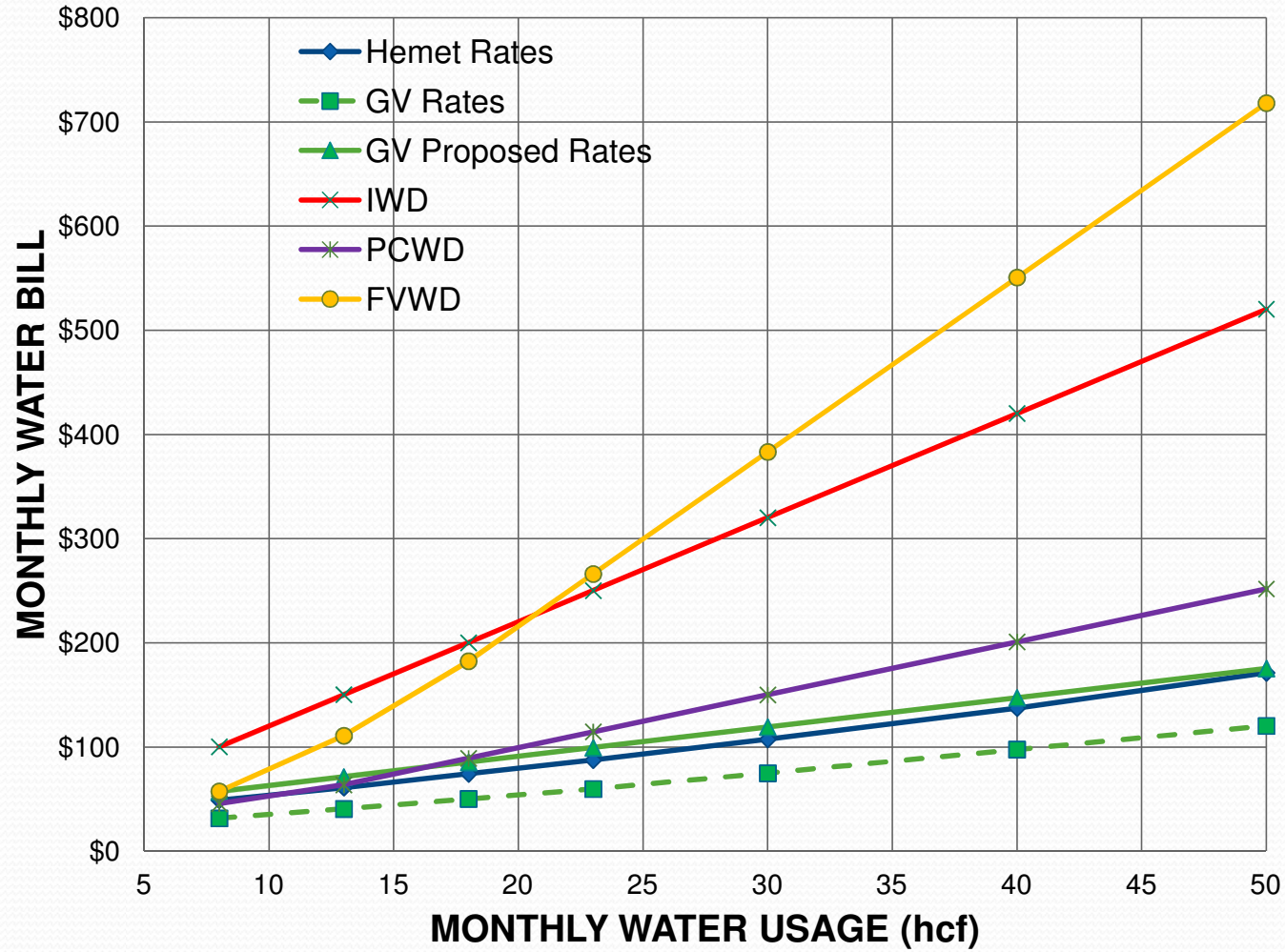
# AGENCY RESIDENTIAL RATES

AGENCY	Tier No.	TIER LEVELS					
		BASE	1	2	3	4	5
LH Garner Valley- Current	Tier Volume (HCF)	0	10	15	50	50	
	Rate (\$/HCF)	\$18.63	\$1.626	\$1.913	\$2.279	\$2.981	\$3.711
LH Garner Valley-Proposed	Tier Volume (HCF)	0	10	15	50	50	
	Rate (\$/HCF)	\$34.85	2.81				
LHMWD- Hemet	Tier Volume (HCF)	0	7	6	12	13	
	Rate (\$/HCF)	\$30.39	\$2.32	\$2.41	\$2.64	\$2.92	\$3.38
Idyllwild Water	Tier Volume (HCF)	0	3	3	9		
	Rate (\$/HCF)	\$61.25	\$0.00	\$6.33	\$10.00	\$10.00	
Fern Valley	Tier Volume (HCF)	0	7	8			
	Rate (\$/HCF)	\$16.35	\$4.35	\$10.68	\$16.74		
Pine Cove	Tier Volume (HCF)	0	4	4	4		
	Rate (\$/HCF)	\$31.00	\$1.34	\$2.31	\$3.29	\$5.08	
City of San Jacinto	Tier Volume (HCF)	0	15	10			
	Rate (\$/HCF)	\$15.36	\$2.600	\$3.190	N/A	N/A	N/A
City of Hemet	Tier Volume (HCF)	0	5	5	10		
	Jan. 2016 Rate (\$/HCF)	\$34.86	\$4.410				N/A
EMWD- Hemet/SJ Avg.	Tier Volume (HCF)	0	7	12	10		
	Rate (\$/HCF)	\$17.33	\$1.898	\$3.473	\$6.224	\$11.387	N/A

-Base Charges for 1" meter size (2 EMS).

-Garner Valley, Fern Valley, and Pine Cove are billed bi-monthly. Values shown are monthly.

## MONTHLY WATER BILL COMPARISON



# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**



# GARNER VALLEY

- Garne Valley operates as its own system to be self-funding
- No rate change since 2010
- Past annual deficits total \$1.738M loaned by District
- Depreciation of \$145,000/year funded <20%
- Current rates support direct operation costs
- Annual Revenue = \$465,000 FY 16/17
- Annual Operating Expenses = \$466,000 FY 16/17
- Need to fund more depreciation
- Need to reimburse past deficit
- Current Depreciation Fund Balance \$145,000 (\$80,000 project planned)
- Bond paid off in 2030 (no payment, no assessment)

7/1/2016

**LAKE HEMET MUNICIPAL WATER DISTRICT  
GARNER VALLE BUDGET  
FY 2017 / 2018**

	ACTUAL	BUDGET	Projected	BUDGET	% Variance	BUDGET	BUDGET	BUDGET	BUDGET
	2015-2016	2016-2017	2016-2017	2017-2018	Budget to Projected	2018-2019	2019-2020	2020-2021	2021-2022
<b>OPERATING REVENUE</b>	174 AF	195 AF	195 AF	198 AF		200 AF	202 AF	204 AF	208 AF
Water Sales	167,060	191,345	194,103	197,885	102%	200,400	202,950	205,483	210,550
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	0	200	480	500	100%	200	200	200	200
<b>Sub-Total</b>	<b>220,045</b>	<b>244,530</b>	<b>247,568</b>	<b>251,370</b>	<b>102%</b>	<b>253,585</b>	<b>256,135</b>	<b>258,668</b>	<b>263,735</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	192,977	194,137	194,000	195,000	101%	195,500	196,000	196,500	197,000
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	136	100	335	200	60%	100	125	150	175
<b>Sub-Total</b>	<b>216,213</b>	<b>217,337</b>	<b>217,435</b>	<b>218,300</b>	<b>100%</b>	<b>218,700</b>	<b>219,225</b>	<b>219,750</b>	<b>220,275</b>
<b>TOTAL REVENUE</b>	<b>436,258</b>	<b>461,867</b>	<b>465,003</b>	<b>469,670</b>	<b>101%</b>	<b>472,285</b>	<b>475,360</b>	<b>478,418</b>	<b>484,010</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	11,291	13,000	15,500	16,000	103%	15,000	15,500	16,000	16,500
Repairs to Bldgs & Grounds	4,042	5,000	13,500	5,000	37%	5,500	6,000	6,500	7,000
Rep to Grnd Source, Well Facilt.	0	8,000	8,000	8,000	100%	20,000	8,000	20,000	8,000
Repair to Pumping Equip.	13,599	16,000	16,500	18,000	109%	15,500	16,000	16,500	17,000
Power Purchased	45,647	48,000	45,000	48,000	107%	53,000	55,000	56,500	58,000
Purification	13,181	14,000	14,500	20,000	138%	17,000	17,500	18,000	19,000
Repair to Tanks	0	4,000	4,000	4,000	100%	4,500	4,500	5,000	5,000
Repair to Pipelines	4,443	7,000	13,000	8,000	62%	10,000	12,000	14,000	16,000
Repair to Services	5,145	7,000	3,000	5,000	167%	7,500	8,000	8,500	9,000
Repair to Fire Hydrants	32	2,000	3,000	3,000	100%	2,500	2,500	3,000	3,000
Meter Reading	830	1,050	1,500	1,500	100%	1,550	1,600	1,600	1,650
Engineering	0	500	0	500	100%	500	500	500	500
General Exp.	3,491	5,000	1,000	5,000	500%	5,500	5,500	6,000	6,000
Uncollectable Water Bills	97	1,000	1,000	1,000	0%	1,000	1,000	1,000	1,000
Administrative	95,169	99,840	96,787	100,300	104%	103,870	107,700	112,100	118,250
<b>Sub-Total</b>	<b>196,967</b>	<b>231,390</b>	<b>236,287</b>	<b>243,300</b>	<b>103%</b>	<b>262,920</b>	<b>261,300</b>	<b>285,200</b>	<b>285,900</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	75,000	24,000	75,000	24,000	32%	36,000	24,000	24,000	24,000
Bond Principal Payment	60,000	65,000	60,000	65,000	108%	65,000	70,000	70,000	75,000
Bond Interest Payments	64,720	62,810	64,720	62,810	97%	59,835	56,660	53,315	49,820
Costs	10,386	13,000	10,288	13,000	126%	14,500	14,500	14,500	14,500
<b>Sub-Total</b>	<b>210,106</b>	<b>164,810</b>	<b>210,008</b>	<b>164,810</b>	<b>78%</b>	<b>175,335</b>	<b>165,160</b>	<b>161,815</b>	<b>163,320</b>
<b>TOTAL EXPENSES</b>	<b>407,073</b>	<b>396,200</b>	<b>446,295</b>	<b>408,110</b>	<b>91%</b>	<b>438,255</b>	<b>426,460</b>	<b>447,015</b>	<b>449,220</b>
<b>Operating Profit or Loss</b>	<b>29,185</b>	<b>65,667</b>	<b>18,708</b>	<b>61,560</b>	<b>329%</b>	<b>34,030</b>	<b>48,900</b>	<b>31,403</b>	<b>34,790</b>
<b>Cost of Capital Projects Completed</b>	<b>9,832</b>	<b>45,000</b>	<b>20,000</b>	<b>50,000</b>		<b>40,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>* CASH FLOW</b>	<b>19,353</b>	<b>20,667</b>	<b>-1,292</b>	<b>11,560</b>	<b>-895%</b>	<b>-5,970</b>	<b>23,900</b>	<b>6,403</b>	<b>9,790</b>
<b>Depreciation</b>	<b>143,984</b>	<b>145,000</b>	<b>144,500</b>	<b>145,000</b>	<b>100%</b>	<b>145,500</b>	<b>146,000</b>	<b>146,500</b>	<b>147,000</b>

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - **Past Deficit**
  - **General & Administration Expense Allocation**
  - **Review Rate Determination**
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

# GARNER VALLEY

## ANNUAL PROFIT/LOSSES

	YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>PROFIT</b>					\$86,791	\$116,644		
<b>LOSS</b>	\$ (65,975)	\$ (267,443)	\$ (60,871)	\$ (101,423)			\$ (15,778)	\$ (202,227)
<b>Assets/Capital Project Improvements Paid from General Fund</b>	\$ (216,286)	\$ (304,873)	\$ (414,528)	\$ (217,072)	\$ (11,585)	\$ (98,534)	\$ (1,416,917)	\$ (222,936)
<b>TOTAL</b>								
<b>G.V. Profit (Loss)</b>	\$ (282,261)	\$ (572,316)	\$ (475,399)	\$ (318,495)	\$ 75,206	\$ 18,110	\$ (1,432,695)	\$ (425,163)
<b>Reimbursement from Depr. Fund</b>	\$ 3,698	\$ 209,969	\$ -	\$ 14,081	\$ 89,827	\$ -	Bond Reimb. \$ 1,585,000	\$ 76,816
<b>Total Profit (Loss) after Reimbursement</b>	\$ (278,563)	\$ (362,347)	\$ (475,399)	\$ (304,414)	\$ 165,033	\$ 18,110	\$ 152,305	\$ (348,347)

# GARNER VALLEY

## ANNUAL PROFIT/LOSSES

	2010	2011	2012	2013	2014	2015	2016
<b>PROFIT</b>			\$64,808	\$121,070	\$110,154	\$89,282	\$75,506
<b>LOSS</b>	\$ (48,256)	\$ (13,851)					
<b>Assets/Capital Project Improvements Paid from General Fund</b>	\$ (624,249)	\$ (112,163)	\$ (43,918)	\$ (29,112)	\$ (100,196)	\$ (2,213)	\$ (301)
<b>TOTAL</b>							
<b>G.V. Profit (Loss)</b>	\$ (672,505)	\$ (126,014)	\$ 20,890	\$ 91,958	\$ 9,958	\$ 87,069	\$ 75,205
<b>Reimbursement from Depr. Fund</b>	\$ 208,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Profit (Loss) after Reimbursement</b>	<b>\$ (464,405)</b>	<b>\$ (126,014)</b>	<b>\$ 20,890</b>	<b>\$ 91,958</b>	<b>\$ 9,958</b>	<b>\$ 87,069</b>	<b>\$ 75,205</b>
					<b>Cumulative Total =</b>		<b>\$ (1,738,960)</b>

# DEFICIT DETERMINATION

- **Cumulative Deficit is the sum of operating loss – capital improvements – reimbursement depreciation fund for since FY2002**

# Past Major Expenses

Major Expenses	1st separate audit 2003	Major Expenses	2004	Major Expenses	2005	Major Expenses	2006
B,B,&K	14658.62	B,B,&K	15288.93	B,B,&K	86014.34	B,B,&K	29314.20
Engineering	41276.00	Engineering		Engineering		Engineering	
Resources	31997.34	Resources	26326.92	Resources	10495.07	Resources	10625.00
Crider Public Relations	10092.23	GSI Water	19270.46		96509.41	GSI Water	25820.00
Hauling water	46255.00	NBS	12960.95				65759.20
Mainline Repairs	9500.00		73847.26				
G.V. Operations Labor	14803.00						
Miller Pump/water well Redevelopers	14489.70						
	<u>183071.89</u>						
Major Expenses	2007	Major Expenses	2008	Major Expenses	2009	Major Expenses	2010
GV had a profit this year		B,B,&K	126523.65	B,B,&K	158847.75	B,B,&K	9380.28
		GSI Water	11620.00	Greenberg		Greenberg	
		Advanced Cleanup		Traurig	87012.19	Traurig	1544.00
		Technologies	2587.50		245859.94	Davis & Wojcik	1176.00
			<u>140731.15</u>				<u>12100.28</u>

# Past Capital Expenses

Account	Location / Description	2002
<b>Wells</b>		
11-143-04	New well #5	130446.41
<b>Pumping Equipment</b>		
11-151-04	Well #4-move 2 pumps	13169.44
	Well #5 telemetry	32014.07
<b>Purification System</b>		
11-161-04		0
<b>Distribution Mains</b>		
11-171-04	Devils Ladder 1" air vac	245.78
	ROW to tank 2" air vc	168.04
	Well #4 1" plastic air vac	58.72
	Inst. 575' 8" cml&w including valves & air vacs	15704.28
<b>Garner Valley Tanks</b>		
11-173-04	Tank #2	775.63
<b>Fire Hydrants</b>		
11-174-04	6" fire hydrant	8542.75
<b>Services</b>		
11-175-04	3-1" services	2396.35
<b>Meters</b>		
11-176-04		8267.47
<b>Buildings, Structures &amp; Grounds</b>		
11-181-04	Well #4	65.54
	Well #5 pad and fence	4431.99

Account	Location / Description	2003
<b>Wells</b>		
11-143-04		0
<b>Pumping Equipment</b>		
11-151-04	Well #1 Bleach pump control	323.02
	Well #2 Inst 2-30 hp 1-90 hp pump	13638.14
	Well #4 1-20 hp sub-motor	6028.6
	Well #5 1-40 hp pump & motor w/telemetry	20475.78
<b>Purification System</b>		
11-161-04	Well #2 chlorination pump	432.43
	Well #5 chlorination pump	432.74
<b>Distribution Mains</b>		
11-171-04	Goldshot Cr 1" air vac	297.34
	Devils Ladder 2-1" air vacs	842.60
	Tunnel Springs 2" air vac	351.40
	Devils Ladder 1080' 8" c900 to supply tank	18265.08
	Devils Ladder 1184-8" c900, valves & air vacs	38873.29
<b>Garner Valley Tanks</b>		
11-173-04	Tank #1	172264.27
	Tank #2	3489.86
<b>Fire Hydrants</b>		
11-174-04		0
<b>Services</b>		
11-175-04	3-1"services	1876.18
<b>Meters</b>		
11-176-04		12581.18
<b>Buildings, Structures &amp; Grounds</b>		
11-181-04	Well #1 install safety equipment	13.44
	Well #2 install safety equipment	53.75
	Well #4 install safety equipment	2815.31
	Well #5 install safety equipment	11818.73



# Past Capital Expenses

Account	Location / Description	2004	Account	Location / Description	2005
<b>Wells</b>			<b>Wells</b>		
11-143-04	Engineering for Well #5	916.60	11-143-04		0
<b>Pumping Equipment</b>			<b>Pumping Equipment</b>		
11-151-04	Well #4 25 hp pump	9383.26	11-151-04	Well #4 generator	50015.01
	Well #4 20 hp pump	4699.56	<b>Purification System</b>		
	Well #4 telemetry	4227.62	11-161-04	Well #2 water test station	655.32
	Well #5 bowl assembly	4529.31	<b>Distribution Mains</b>		
	Well #5 telemetry	15780.15	11-171-04	Devils Ladder 2-1" air vacs	1636.69
	Well #1 40 hp pump	13316.50		Tool Box Sp 3-1" air vacs	1912.14
<b>Purification System</b>				Butterfly Pk 1" air vac & engineering charges	1512.22
11-161-04	Inst. 5 water test stations	4248.26		Tunnel Springs 1768' 8" c900, valves & air vacs	86190.84
<b>Distribution Mains</b>			<b>Garner Valley Tanks</b>		
11-171-04	PRV - Devils Ladder	14182.85	11-173-04	Tank #2	62987.81
	Goldshot Crk 2 valves & 2" air vac	9727.47		Tank #3	3336.75
	Tool Box Springs 1" air vac	850.65	<b>Fire Hydrants</b>		
	Well #1 1" air vac	850.65	11-174-04		0
	Tool Box springs 2-1" air vacs	645.66	<b>Services</b>		
	Butterfly Pk 2-1" air vacs	1701.30	11-175-04	6-1"services	3473.62
	Devils Ladder 1" air vac	477.16	<b>Meters</b>		
	Table Mtn 2-1" air vacs	1701.30	11-176-04		3051.23
	Devils Ladder Paving	745.53	<b>Buildings, Structures &amp; Grounds</b>		
<b>Garner Valley Tanks</b>			11-181-04	Well #4 fence	1301.43
11-173-04	Tank #1	283024.21		Tank #3	998.64
	Tank #2	23648.73			
<b>Services</b>					
11-175-04	3-1"services	2061.59			
<b>Meters</b>					
11-176-04		1635.39			
<b>Buildings, Structures &amp; Grounds</b>					
11-181-04	Well #2	309.05			
	Well #5 labor	147.81			
	Tank #2	15717.10			
		<b>2004 TOTAL</b>			<b>2005 TOTAL</b>
		<b>\$414,527.71</b>			<b>\$217,071.70</b>

# Past Capital Expenses

Account	Location / Description	2006
<b>Wells</b>		
11-143-04		0
<b>Pumping Equipment</b>		
11-151-04	G.V. system telemetry	5670.34
<b>Purification System</b>		
11-161-04		0
<b>Distribution Mains</b>		
11-171-04	Devils Ladder 2" air vac	523.20
	Tunnel Springs pipeline permits	795.16
<b>Garner Valley Tanks</b>		
11-173-04		0
<b>Fire Hydrants</b>		
11-174-04		0
<b>Services</b>		
11-175-04	4-1" services	3876.12
<b>Meters</b>		
11-176-04		719.97
<b>Buildings, Structures &amp; Grounds</b>		
11-181-04		0

Account	Location / Description	2007
<b>Wells</b>		
11-143-04		0
<b>Pumping Equipment</b>		
11-151-04	Well #1 25 hp sub-pump	4752.95
	Well #5 25 hp sub-pump	4752.95
	Well #4 40 hp pump/bowls	12855.22
	Well #3 sub-pump	7366.81
	G.V. system telemetry	26341.88
<b>Purification System</b>		
11-161-04		0
<b>Distribution Mains</b>		
11-171-04	Morris Ranch Rd 6" ck valve	7051.37
	Well #3 inst 43' 4" pipe, valves & air vacs	12442.29
	Well #4 4" air vac	459.35
	Hop Patch inst 6" hot tap	1948.51
<b>Garner Valley Tanks</b>		
11-173-04		0
<b>Fire Hydrants</b>		
11-174-04	Wilson Tank #3 6" dry barrel hydrant	4546.00
<b>Services</b>		
11-175-04	6-1" services	12557.98
<b>Meters</b>		
11-176-04		1687.13
<b>Buildings, Structures &amp; Grounds</b>		
11-181-04	Well #3 - hatch in roof	1771.51

**2006 TOTAL**                      **\$11,584.79**

**2007 TOTAL**                      **\$98,533.95**

# Past Capital Expenses

Account	Location / Description	2008	Account	Location / Description	2009
<b>Wells</b>			<b>Wells</b>		
11-143-04		0	11-143-04		0
<b>Pumping Equipment</b>			<b>Pumping Equipment</b>		
11-151-04	Well #2 sub-pump	15042.76	11-151-04	Well #1-Southwest Pump	14916.00
	Well #4 new pump panel	9641.11		Well #4-addt'l for pump panel	2743.52
	PRV-Devils Ladder	3670.17		Well #3 maintenance	182.13
	G.V. system telemetry	390.97		Well #6 parts, labor	2835.49
				PRV-Devils Ladder addt'l	133.91
<b>Purification System</b>			<b>Purification System</b>		
11-161-04		0	11-161-04	Inst 4 CL2 analyzers	10995.48
<b>Distribution Mains</b>			<b>Distribution Mains</b>		
11-171-04	Devils Ladder 8" valve	5935.06	11-171-04	Well #1 8" valve	1508.61
	Hop Patch addt'l on 6" hot tap	348.88		Devils Ladder PRV	16194.99
<b>Garner Valley Tanks</b>			<b>Garner Valley Tanks</b>		
11-173-04	Install Tank #3	1364729.11		GV Commons 12' 12" pipe	1722.48
<b>Fire Hydrants</b>			<b>Garner Valley Tanks</b>		
11-174-04		0	11-173-04	Tank #3 addt'l	138330.05
<b>Services</b>			<b>Fire Hydrants</b>		
11-175-04	5-1" services	7218.67	11-174-04	GV Commons hydrant	1006.33
<b>Meters</b>			<b>Services</b>		
11-176-04		341.20	11-175-04	15-1" services	17474.58
<b>Buildings, Structures &amp; Grounds</b>			<b>Meters</b>		
11-181-04	Well #4 outhouse drywall	2819.38	11-176-04		6310.11
	Well #3 pump house drywall	4691.44	<b>Buildings, Structures &amp; Grounds</b>		
	Well #4 booster house drywall	2087.87	11-181-04	Well #3 bldg improvement construction	4645.00
				Well #4 booster bldg improvements	3937.5
		<b>2008 TOTAL</b>			<b>2009 TOTAL</b>
		<b>BOND PROCEEDS</b>	<b>\$1,416,916.62</b>	<b>\$222,936.18</b>	
			<b>\$1,585,000.00</b>		

# Past Capital Expenses

Account	Location / Description	2010	Account	Location / Description	2011
<b>Wells</b>			<b>Wells</b>		
11-143-04		0	11-143-04		0
<b>Pumping Equipment</b>			<b>Pumping Equipment</b>		
11-151-04	Well #1 parst, labor	145.396	11-151-04	PRV-Devils Ladder	2470.05
	Well #4 50 hp booster pump	11446.73			
	Well #6 new elect serv, raise to grade	12444.41			
<b>Purification System</b>			<b>Purification System</b>		
11-161-04	Add'l for 4 CL2 analyzers	2432.47	11-161-04	Well #6 water test station	594.77
	Well #6 CL2 analyzer	2751.61			
<b>Distribution Mains</b>			<b>Distribution Mains</b>		
11-171-04	Well #6 tie into existing system	24106.69	11-171-04	HWY 74 1790' 8" c900	37706.91
	Table Mtn 12" cml&w pipe replacement	2589.64			
<b>Garner Valley Tanks</b>			<b>Garner Valley Tanks</b>		
11-173-04	Tank #3 eminent domain	547476.86	11-173-04	Tank #3 St of CA refund	-7369.46
<b>Fire Hydrants</b>			<b>Fire Hydrants</b>		
11-174-04		0	11-174-04		0
<b>Services</b>			<b>Services</b>		
11-175-04	7-1" services	8708.90	11-175-04	5-1" services	8624.50
<b>Meters</b>			<b>Meters</b>		
11-176-04		1894.82	11-176-04		70136.24
<b>Buildings, Structures &amp; Grounds</b>			<b>Buildings, Structures &amp; Grounds</b>		
11-181-04	Well #6 pump bldg construction	10251.25	11-181-04		0
		<b>2010 TOTAL</b>			<b>2011 TOTAL</b>
		<b>\$624,248.78</b>			<b>\$112,163.01</b>

# Past Budgets

4/28/2003

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET 2002 - 2003

	ACTUAL 2000-2001 220 A.F.	ACTUAL 2001-2002 246 A.F.	BUDGET 2002-2003 240 A.F.	ACTUAL 2002-2003 240 A.F.	incl rate increase BUDGET 2003-2004 245 A.F.	BUDGET 2004-2005 247 A.F.	new well/tank BUDGET 2005-2006 250 A.F.	BUDGET 2006-2007 255 A.F.	BUDGET 2007-2008 260 A.F.
<b>OPERATING REVENUE</b>									
Water Sales	122,588	136,772	131,500	146,951	275,625	283,432	292,612	304,434	316,612
Misc/Service Conn Revenue	0	0	0	2,986	45,990	47,369	48,790	50,253	51,760
<b>TOTAL</b>	<b>122,588</b>	<b>136,772</b>	<b>131,500</b>	<b>149,937</b>	<b>327,615</b>	<b>336,801</b>	<b>347,402</b>	<b>360,687</b>	<b>374,372</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	0	0	0	14,803	14,000	14,500	15,000	15,300	15,800
Repairs to Bldgs & Grounds	2,011	1,986	1,000	2,355	3,000	3,100	3,200	3,300	3,400
Repairs to Ground Source, Wells Faci	0	0	1,000	14,490	15,000	0	0	0	15,000
Repair to Pumping Equip.	7,317	27,809	10,000	73,437	30,000	30,000	75,000	30,000	30,000
Power Purchased	46,500	51,553	55,000	55,903	56,000	59,000	62,000	65,000	68,000
Purification	6,843	10,984	9,500	11,513	12,000	13,000	14,000	15,000	16,000
Repair to Tanks	0	34,449	500	1,160	1,000	1,000	2,000	1,000	1,000
Repair to Pipelines	839	1,062	1,000	10,045	2,000	2,000	6,000	2,000	2,000
Repair to Services	271	3,675	500	2,729	2,700	2,800	2,900	3,000	3,100
Repair to Fire Hydrants	1,267	1,134	1,500	671	1,000	1,200	1,500	1,700	1,900
Meter Reading	969	965	1,050	791	950	1,000	1,050	1,100	1,200
Engineering	6,690	26,640	500	41,276	50,000	20,000	50,000	20,000	20,000
General Exp.	1,911	2,389	2,300	70,367	20,000	44,000	20,000	20,000	20,000
Administrative	34,301	52,569	38,615	132,026	89,170	90,482	94,234	97,208	108,622
<b>TOTAL</b>	<b>108,919</b>	<b>215,215</b>	<b>122,465</b>	<b>431,566</b>	<b>296,820</b>	<b>282,082</b>	<b>346,884</b>	<b>274,608</b>	<b>306,022</b>
Operating Profit or Loss	13,669	-78,443	9,035	-281,629	30,795	54,719	518	86,079	68,350
Funded Depreciation	-25,000	-25,000	-40,150	-28,530	-42,000	-41,000	-50,000	-51,000	-52,000
<b>TOTAL</b>	<b>-11,331</b>	<b>-103,443</b>	<b>-31,115</b>	<b>-310,159</b>	<b>-11,205</b>	<b>13,719</b>	<b>-49,482</b>	<b>35,079</b>	<b>16,350</b>
<b>NON-OPERATING</b>									
Taxes	23,200	22,836	25,500	24,057	23,350	23,000	23,000	23,000	23,000
Availability	22,950	22,950	22,950	22,950	22,950	1,000	1,500	2,000	2,500
Loan-Principal/Interest	0	0	0	0	500	0	0	0	0
Less Costs	-1,998	-8,318	-2,000	-4,291	-1,000	-1,100	-1,100	-1,200	-1,200
Non-Operating Net	44,152	37,468	46,450	42,716	45,800	22,900	23,400	23,800	24,300
<b>NET OVERALL</b>	<b>32,821</b>	<b>-65,975</b>	<b>15,335</b>	<b>-267,443</b>	<b>34,595</b>	<b>36,619</b>	<b>-26,082</b>	<b>58,879</b>	<b>40,650</b>

### FACILITIES FEES ACCRUED

6/30/2003	\$18,000.00
6/30/2002	\$212,381.00
6/30/2001	\$188,170.80

### AVAILABILITY FEES ACCRUED

6/30/2003	\$32,620.17
6/30/2002	\$84,887.88

# Past Budgets

9/17/2003

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET 2003-2004

	ACTUAL 2001-2002 246 A.F.	BUDGET 2002-2003 240 A.F.	ACTUAL 2002-2003 240 A.F.	BUDGET 2003-2004 245 A.F.	ACTUAL 2003-2004 225 A.F.	BUDGET 2004-2005 247 A.F.	new well/tank BUDGET 2005-2006 250 A.F.	BUDGET 2006-2007 255 A.F.	BUDGET 2007-2008 260 A.F.
<b>OPERATING REVENUE</b>									
Water Sales	136,772	131,500	146,951	275,625	228,306	283,432	292,612	304,434	316,612
Service Charge \$35	0	0	0	45,990	47,460	47,369	48,790	50,253	51,760
Misc/Service Conn Revenue	0	0	2,986	6,000	1,405	6,000	6,000	6,000	6,000
<b>TOTAL</b>	<b>136,772</b>	<b>131,500</b>	<b>149,937</b>	<b>327,615</b>	<b>277,171</b>	<b>336,801</b>	<b>347,402</b>	<b>360,687</b>	<b>374,372</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	0	0	14,803	14,000	24,035	14,500	15,000	15,300	15,800
Repairs to Bldgs & Grounds	1,986	1,000	2,355	3,000	5,881	3,100	3,200	3,300	3,400
Repairs to Ground Source, Wells	0	1,000	14,490	15,000	5,835	0	0	0	15,000
Repair to Pumping Equip.	27,809	10,000	73,437	30,000	23,697	30,000	60,000	30,000	30,000
Power Purchased	51,553	55,000	55,903	56,000	62,019	59,000	62,000	65,000	68,000
Purification	10,984	9,500	11,513	12,000	15,960	13,000	14,000	15,000	16,000
Repair to Tanks	34,449	500	1,160	1,000	1,496	1,000	2,000	1,000	1,000
Repair to Pipelines	1,062	1,000	10,045	2,000	6,608	2,000	6,000	2,000	2,000
Repair to Services	3,675	500	2,729	2,700	1,252	2,800	2,900	3,000	3,100
Repair to Fire Hydrants	1,134	1,500	671	1,000	91	1,200	1,500	1,700	1,900
Meter Reading	965	1,050	791	950	802	1,000	1,050	1,100	1,200
Engineering	26,640	500	41,276	50,000	54,014	20,000	30,000	20,000	20,000
General Exp.	2,389	2,300	70,367	20,000	43,675	44,000	20,000	20,000	20,000
Administrative	52,569	38,615	132,026	89,170	99,917	90,482	94,234	97,208	108,622
<b>TOTAL</b>	<b>215,215</b>	<b>122,465</b>	<b>431,566</b>	<b>296,820</b>	<b>345,282</b>	<b>282,082</b>	<b>311,884</b>	<b>274,608</b>	<b>306,022</b>
Operating Profit or Loss	-78,443	9,035	-281,629	30,795	-68,111	54,719	35,518	86,079	68,350
Funded Depreciation	-25,000	-40,150	-28,530	-42,000	-31,800	-44,000	-50,000	-51,000	-52,000
<b>TOTAL</b>	<b>-103,443</b>	<b>-31,115</b>	<b>-310,159</b>	<b>-11,205</b>	<b>-99,911</b>	<b>10,719</b>	<b>-14,482</b>	<b>35,079</b>	<b>16,350</b>
<b>NON-OPERATING</b>									
Taxes	22,836	25,500	24,057	23,350	23,350	23,350	23,350	23,350	23,350
Availability	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950
Facilities Fee Interest	0	0	0	500	309	1,000	1,500	2,000	2,500
Loan-Principal/Interest	0	0	0	0	0	0	0	0	0
Less Costs	-8,318	-2,000	-4,291	-1,000	-7,569	-1,100	-1,100	-1,200	-1,200
Non-Operating Net	37,468	46,450	42,716	45,800	39,040	46,200	46,700	47,100	47,600
<b>NET OVERALL</b>	<b>-65,975</b>	<b>15,335</b>	<b>-267,443</b>	<b>34,595</b>	<b>-60,871</b>	<b>56,919</b>	<b>32,218</b>	<b>82,179</b>	<b>63,950</b>

FACILITIES FEES ACCRUED

6/30/2004  
6/30/2003 \$20,012.00  
6/30/2002 \$212,381.00

AVAILABILITY FEES ACCRUED

6/30/2004  
6/30/2003 \$50,093.46  
6/30/2002 \$84,887.88

# Past Budgets

4/28/2005

**LAKE HEMET MUNICIPAL WATER DISTRICT  
GARNER VALLEY BUDGET 2004 - 2005**

	ACTUAL 2001-2002	ACTUAL 2002-2003	ACTUAL 2003-2004	BUDGET 2004-2005	ACTUAL 2004-2005	BUDGET 2005-2006	BUDGET 2006-2007	BUDGET 2007-2008	BUDGET 2008-2009
	246 A.F.	240 A.F.	225 AF	230 AF	236 AF	245 AF	248 AF	252 AF	255
<b>OPERATING REVENUE</b>									
Water Sales	128,399	146,951	228,306	258,750	260,618	286,650	301,766	315,833	329,180
Service Charge \$35	0	0	47,460	48,880	48,475	49,860	51,245	52,630	54,000
Misc/Service Conn Revenue	8,373	2,986	1,405	2,550	1,540	1,000	1,000	1,000	1,000
<b>TOTAL</b>	<b>136,772</b>	<b>149,937</b>	<b>277,171</b>	<b>310,180</b>	<b>310,633</b>	<b>337,510</b>	<b>354,011</b>	<b>369,463</b>	<b>384,180</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	0	14,803	24,035	19,500	29,533	22,000	23,000	26,000	28,000
Repairs to Bldgs & Grounds	1,986	2,355	5,881	3,000	4,245	3,200	3,400	3,600	3,800
Rep to Grnd Source, Well Facilt.	0	14,490	5,835	6,000	5,905	6,000	6,000	6,000	10,000
Repair to Pumping Equip.	27,809	73,437	23,697	40,000	32,288	40,000	40,000	40,000	40,000
Power Purchased	51,553	55,903	62,019	65,000	56,955	66,000	67,000	68,000	70,000
Purification	10,984	11,513	15,960	20,000	15,946	22,000	24,000	26,000	28,000
Repair to Tanks	34,449	1,160	1,496	1,000	8,792	2,000	1,000	1,000	1,000
Repair to Pipelines	1,062	10,045	6,608	5,000	7,764	6,000	2,000	2,000	2,000
Repair to Services	3,675	2,729	1,252	3,000	3,701	3,000	3,000	3,000	3,000
Repair to Fire Hydrants	1,134	671	91	1,000	4,812	1,200	1,500	1,800	2,000
Meter Reading	965	791	802	1,000	545	1,050	1,100	1,200	1,300
Engineering	26,640	41,276	54,014	55,000	43,267	30,000	25,000	20,000	20,000
General Exp.	2,389	70,367	43,675	40,000	100,696	35,000	30,000	25,000	20,000
Administrative	52,569	132,026	99,917	95,180	99,807	97,394	99,548	102,012	104,336
<b>TOTAL</b>	<b>215,215</b>	<b>431,566</b>	<b>345,282</b>	<b>354,680</b>	<b>414,256</b>	<b>334,844</b>	<b>326,548</b>	<b>325,612</b>	<b>333,436</b>
<b>Operating Profit or Loss</b>	<b>-78,443</b>	<b>-281,629</b>	<b>-68,111</b>	<b>-44,500</b>	<b>-103,623</b>	<b>2,666</b>	<b>27,463</b>	<b>43,851</b>	<b>50,744</b>
<b>Funded Depreciation</b>	<b>-25,000</b>	<b>-28,530</b>	<b>-31,800</b>	<b>-32,000</b>	<b>-42,744</b>	<b>-45,000</b>	<b>-46,000</b>	<b>-47,000</b>	<b>-47,500</b>
<b>TOTAL</b>	<b>-103,443</b>	<b>-310,159</b>	<b>-99,911</b>	<b>-76,500</b>	<b>-146,367</b>	<b>-42,334</b>	<b>-18,537</b>	<b>-3,149</b>	<b>3,244</b>
<b>NON-OPERATING</b>									
Taxes	22,836	24,057	23,350	23,350	23,350	12,500	31,000	31,250	31,500
Availability	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950
Depreciation Fund Interest	0	0	309	500	661	700	900	1,100	1,300
Loan-Principal/Interest	0	0	0	0	0	0	0	0	0
Less Costs	-8,318	-4,291	-7,569	-6,000	-2,017	-6,000	-6,000	-6,000	-6,000
<b>Non-Operating Net</b>	<b>37,468</b>	<b>42,716</b>	<b>39,040</b>	<b>40,800</b>	<b>44,944</b>	<b>30,150</b>	<b>48,850</b>	<b>49,300</b>	<b>49,750</b>
<b>NET</b>	<b>-65,975</b>	<b>-267,443</b>	<b>-60,871</b>	<b>-35,700</b>	<b>-101,423</b>	<b>-12,184</b>	<b>30,313</b>	<b>46,151</b>	<b>52,994</b>

# Past Budgets

5/27/2005

approved 6/7/05

**LAKE HEMET MUNICIPAL WATER DISTRICT  
GARNER VALLEY BUDGET 2005 / 2006**

	ACTUAL 2002-2003	new tank ACTUAL 2003-2004	BUDGET 2004-2005	ACTUAL 2004-2005	BUDGET 2005-2006	new well BUDGET 2006-2007	new tank BUDGET 2007-2008	BUDGET 2008-2009	BUDGET 2009-2010
	240 A.F.	225 AF	230 AF	236 AF	245 AF	248 AF	252 AF	255 AF	258
<b>OPERATING REVENUE</b>									
Water Sales	146,951	228,306	258,750	260,618	286,650	301,766	315,833	329,180	342,347
Service Charge \$35	0	47,460	48,880	48,475	49,860	51,245	52,630	54,000	55,400
Misc/Service Conn Revenue	2,986	1,405	2,550	1,540	1,000	1,000	1,000	1,000	1,000
<b>TOTAL</b>	<b>149,937</b>	<b>277,171</b>	<b>310,180</b>	<b>310,633</b>	<b>337,510</b>	<b>354,011</b>	<b>369,463</b>	<b>384,180</b>	<b>398,747</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	14,803	24,035	19,500	29,533	31,000	32,500	34,000	35,500	37,000
Repairs to Bldgs & Grounds	2,355	5,881	3,000	4,245	4,000	4,200	4,400	4,600	4,800
Rep to Grnd Source, Well Facilit.	14,490	5,835	6,000	5,905	5,000	6,000	6,000	7,000	7,000
Repair to Pumping Equip.	73,437	23,697	40,000	32,288	38,000	40,000	40,000	42,000	42,000
Power Purchased	55,903	62,019	65,000	56,955	60,000	65,000	68,000	70,000	73,000
Purification	11,513	15,960	20,000	15,946	18,000	20,000	22,000	24,000	26,000
Repair to Tanks	1,160	1,496	1,000	8,792	1,000	2,000	1,000	2,000	1,000
Repair to Pipelines	10,045	6,608	5,000	7,764	5,000	6,000	6,000	6,000	6,000
Repair to Services	2,729	1,252	3,000	3,701	3,000	3,500	3,500	4,000	4,000
Repair to Fire Hydrants	671	91	1,000	4,812	1,500	1,500	2,000	2,000	2,500
Meter Reading	791	802	1,000	545	1,000	1,100	1,200	1,300	1,400
Engineering	41,276	54,014	55,000	43,267	10,000	5,000	5,000	5,000	5,000
General Exp.	70,367	43,675	40,000	100,696	50,000	40,000	30,000	20,000	20,000
Administrative	132,026	99,917	95,180	99,807	101,164	102,506	104,678	107,050	108,072
<b>TOTAL</b>	<b>431,566</b>	<b>345,282</b>	<b>354,680</b>	<b>414,256</b>	<b>328,664</b>	<b>329,306</b>	<b>327,778</b>	<b>330,450</b>	<b>337,772</b>
<b>Operating Profit or Loss</b>	<b>-281,629</b>	<b>-68,111</b>	<b>-44,500</b>	<b>-103,623</b>	<b>8,846</b>	<b>24,705</b>	<b>41,685</b>	<b>53,730</b>	<b>60,975</b>
Funded Depreciation	-28,530	-31,800	-32,000	-42,744	-54,000	-64,000	-74,000	-84,000	-90,000
<b>TOTAL</b>	<b>-310,159</b>	<b>-99,911</b>	<b>-76,500</b>	<b>-146,367</b>	<b>-45,154</b>	<b>-39,295</b>	<b>-32,315</b>	<b>-30,270</b>	<b>-29,025</b>
<b>NON-OPERATING</b>									
Taxes	24,057	23,350	13,300	23,350	16,000	31,000	31,250	31,500	32,000
Availability	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950
G.V. Depreciation Fund Interest	0	309	500	661	700	900	1,100	1,300	1,500
Loan-Principal/Interest	0	0	0	0	0	0	0	0	0
Less Costs	-4,291	-7,569	-6,000	-2,017	-3,200	-3,400	-3,400	-3,600	-3,600
<b>Non-Operating Net</b>	<b>42,716</b>	<b>39,040</b>	<b>30,750</b>	<b>44,944</b>	<b>36,450</b>	<b>51,450</b>	<b>51,900</b>	<b>52,150</b>	<b>52,850</b>
<b>NET</b>	<b>-267,443</b>	<b>-60,871</b>	<b>-45,750</b>	<b>-101,423</b>	<b>-8,704</b>	<b>12,155</b>	<b>19,585</b>	<b>21,880</b>	<b>23,825</b>



# Past Budgets

5/9/2006

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2006 / 2007

	ACTUAL	BUDGET	ACTUAL	BUDGET	% Variance	new tank	new well	BUDGET	BUDGET
	2004-2005	2005-2006	2005-2006	2006-2007	Budget to Actual	2007-2008	2008-2009	2009-2010	2010-2011
<b>OPERATING REVENUE</b>	236 AF	245 AF	255 AF	264 AF		274 AF	283 AF	293 AF	302
Water Sales	260,618	286,650	292,515	321,235	5.5%	333,403	354,685	367,218	389,853
Service Charge	48,475	49,860	50,688	52,800	0%	54,637	56,400	57,900	59,300
Misc/Service Conn Revenue	1,540	1,000	220	500	127%	500	500	500	500
<b>TOTAL</b>	<b>310,633</b>	<b>337,510</b>	<b>343,423</b>	<b>374,535</b>	<b>4.8%</b>	<b>388,540</b>	<b>411,585</b>	<b>425,618</b>	<b>449,653</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	29,533	31,000	29,500	31,000	5%	32,000	33,600	35,000	36,000
Repairs to Bldgs & Grounds	4,245	4,000	2,375	4,000	68%	4,000	4,500	4,500	5,000
Rep to Grnd Source, Well Facilit.	5,905	5,000	0	6,000	100%	0	0	7,000	0
Repair to Pumping Equip.	32,288	38,000	12,000	12,500	4%	30,000	35,000	20,000	25,000
Power Purchased	56,955	60,000	54,000	57,000	5%	62,000	70,000	73,000	76,000
Purification	15,946	18,000	11,750	12,500	6%	15,000	20,000	23,000	25,000
Repair to Tanks	8,792	1,000	4,700	2,000	-135%	1,000	2,000	5,000	2,000
Repair to Pipelines	7,764	5,000	13,250	13,000	-2%	14,000	15,000	16,000	17,000
Repair to Services	3,701	3,000	5,050	5,000	1%	5,500	6,000	6,500	7,000
Repair to Fire Hydrants	4,812	1,500	0	1,500	100%	2,000	2,000	2,500	2,500
Meter Reading	545	1,000	1,575	1,700	8%	1,750	1,850	1,900	1,950
Engineering	43,267	10,000	0	5,000	100%	5,000	5,000	5,000	5,000
General Exp.	100,696	50,000	59,000	60,000	1.5%	40,000	20,000	20,000	20,000
Administrative	99,807	101,164	95,740	100,200	4.5%	103,602	108,629	113,026	116,701
<b>TOTAL</b>	<b>414,256</b>	<b>328,664</b>	<b>288,940</b>	<b>311,400</b>	<b>7.5%</b>	<b>315,852</b>	<b>323,579</b>	<b>332,426</b>	<b>339,151</b>
<b>Operating Profit or Loss</b>	<b>-103,623</b>	<b>8,846</b>	<b>54,483</b>	<b>63,135</b>	<b>108%</b>	<b>72,688</b>	<b>88,006</b>	<b>93,192</b>	<b>110,502</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	23,350	16,000	171,274	174,300	0%	174,400	174,500	174,600	174,700
Availability	22,950	22,950	22,950	22,950	0%	22,950	22,950	22,950	22,950
G.V. Depr. Fund Int./Bond Int.	661	700	33,000	25,000	-32%	23,000	20,000	2,000	2,000
	46,961	39,650	227,224	222,250	-3%	220,350	217,450	199,550	199,650
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	42,744	54,000	59,976	63,000	2%	68,000	70,000	72,000	75,000
Bond Principal Payment	0	0	45,000	45,000	0%	45,000	50,000	50,000	50,000
Bond Interest Payments	0	0	84,031	84,030	0%	82,570	81,039	79,300	77,440
Costs	2,017	3,200	110,885	50,000	-122%	40,000	20,000	20,000	10,000
<b>Non-Operating Net</b>	<b>44,761</b>	<b>57,200</b>	<b>194,916</b>	<b>242,030</b>	<b>-45%</b>	<b>235,570</b>	<b>221,039</b>	<b>221,300</b>	<b>212,440</b>
<b>NET</b>	<b>-101,423</b>	<b>-8,704</b>	<b>86,791</b>	<b>43,355</b>	<b>192%</b>	<b>57,468</b>	<b>84,417</b>	<b>71,442</b>	<b>97,712</b>

# Past Budgets

5/30/2007

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2007 / 2008

	ACTUAL 2006-2007	BUDGET 2007-2008	ACTUAL 2007-2008	BUDGET 2008-2009	% Variance Budget to Projected	BUDGET 2009-2010	BUDGET 2010-2011	BUDGET 2011-2012	BUDGET 2012-2013
<b>OPERATING REVENUE</b>	285 AF	295 AF	279 AF	295 AF		280 AF	283 AF	293 AF	302
Water Sales	343,320	355,475	328,523	355,475	108%	347,522	351,245	363,657	374,827
Service Charge	50,868	50,868	50,868	50,868	100%	50,868	51,000	51,000	51,200
Misc/Service Conn Revenue	440	500	440	500	114%	500	500	500	500
<b>TOTAL</b>	<b>394,628</b>	<b>406,843</b>	<b>379,831</b>	<b>406,843</b>	<b>107%</b>	<b>398,890</b>	<b>402,745</b>	<b>415,157</b>	<b>426,527</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	32,324	34,500	24,678	34,500	140%	36,500	38,000	40,000	42,000
Repairs to Bldgs & Grounds	4,270	3,000	1,882	3,000	159%	4,000	4,500	4,500	5,000
Rep to Grnd Source, Well Facilt.	16,700	8,000	11,560	8,000	69%	0	0	8,000	0
Repair to Pumping Equip.	19,713	20,000	43,732	20,000	46%	21,000	21,500	22,500	23,500
Power Purchased	73,560	68,000	70,680	68,000	96%	70,000	72,000	74,000	76,500
Purification	18,724	15,500	17,180	15,500	90%	17,000	18,000	19,000	20,000
Repair to Tanks	12,911	5,000	580	5,000	862%	2,500	13,000	2,500	2,500
Repair to Pipelines	9,512	10,500	9,761	10,500	108%	11,000	11,500	12,000	12,500
Repair to Services	5,730	5,000	4,597	5,000	109%	5,500	6,000	6,500	7,000
Repair to Fire Hydrants	2,665	2,500	3,104	2,500	81%	2,500	3,000	3,000	3,000
Meter Reading	2,105	2,300	1,659	2,300	139%	2,500	2,500	2,500	3,000
Engineering	4,440	5,000	1,110	5,000	450%	5,000	5,000	5,000	5,000
General Exp.	28,505	35,000	146,227	35,000	24%	30,000	25,000	20,000	20,000
Administrative	105,232	109,722	109,708	109,722	100%	109,290	113,605	117,770	122,010
<b>TOTAL</b>	<b>336,391</b>	<b>324,022</b>	<b>446,458</b>	<b>324,022</b>	<b>73%</b>	<b>316,790</b>	<b>333,605</b>	<b>337,270</b>	<b>342,010</b>
<b>Operating Profit or Loss</b>	<b>58,237</b>	<b>82,821</b>	<b>-66,627</b>	<b>82,821</b>	<b>-124%</b>	<b>82,100</b>	<b>69,140</b>	<b>77,887</b>	<b>84,517</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	185,736	186,850	187,414	186,850	100%	187,000	188,000	189,000	190,000
Availability	22,950	22,950	22,950	22,950	100%	22,950	22,950	22,950	22,950
G.V. Depr. Fund Int./Bond Int.	55,888	25,000	27,954	25,000	89%	1,000	1,000	1,500	1,500
	264,574	234,800	238,318	234,800	99%	210,950	211,950	213,450	214,450
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	58,400	54,000	53,700	53,700	100%	85,000	86,000	87,000	89,000
Bond Principal Payment	45,000	45,000	45,000	50,000	111%	50,000	50,000	55,000	55,000
Bond Interest Payments	84,313	82,569	82,569	81,039	98%	79,289	77,439	75,489	73,289
Costs	18,454	11,000	6,200	11,000	177%	11,000	11,000	11,000	11,000
<b>Non-Operating Net</b>	<b>206,167</b>	<b>192,569</b>	<b>187,469</b>	<b>195,739</b>	<b>104%</b>	<b>225,289</b>	<b>224,439</b>	<b>228,489</b>	<b>228,289</b>
<b>NET</b>	<b>116,644</b>	<b>125,052</b>	<b>-15,778</b>	<b>121,882</b>	<b>-772%</b>	<b>67,761</b>	<b>56,651</b>	<b>62,848</b>	<b>70,678</b>

# Past Budgets

5/30/2008

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2008 / 2009

	ACTUAL 2006-2007	BUDGET 2007-2008	ACTUAL 2007-2008	BUDGET 2008-2009	% Variance Budget to Actual	BUDGET 2009-2010	BUDGET 2010-2011	BUDGET 2011-2012	BUDGET 2012-2013
<b>OPERATING REVENUE</b>	285 AF	295 AF	279 AF	273 AF		290 AF	293 AF	295 AF	298
Water Sales	343,320	355,475	328,523	322,000	98%	349,500	353,000	355,500	359,000
Service Charge	50,868	50,868	50,868	50,868	100%	50,868	51,000	51,000	51,200
Misc/Service Conn Revenue	440	500	440	500	114%	500	500	500	500
<b>TOTAL</b>	<b>394,628</b>	<b>406,843</b>	<b>379,831</b>	<b>373,368</b>	<b>98%</b>	<b>400,868</b>	<b>404,500</b>	<b>407,000</b>	<b>410,700</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	32,324	34,500	24,678	29,500	120%	32,000	32,500	33,500	34,500
Repairs to Bldgs & Grounds	4,270	3,000	1,882	2,000	106%	3,000	4,000	4,500	5,000
Rep to Grnd Source, Well Facilit.	16,700	8,000	11,560	6,000	52%	6,500	7,000	8,000	8,500
Repair to Pumping Equip.	19,713	20,000	43,732	30,000	69%	25,000	26,000	27,000	28,000
Power Purchased	73,560	68,000	70,680	75,000	106%	77,000	79,000	81,000	83,000
Purification	18,724	15,500	17,180	20,000	116%	20,500	21,000	21,500	22,000
Repair to Tanks	12,911	5,000	580	5,000	862%	3,000	13,000	3,500	4,000
Repair to Pipelines	9,512	10,500	9,761	12,000	123%	12,500	13,000	13,500	14,000
Repair to Services	5,730	5,000	4,597	5,000	109%	5,500	6,000	6,500	7,000
Repair to Fire Hydrants	2,665	2,500	3,104	3,000	97%	3,500	4,000	4,500	5,000
Meter Reading	2,105	2,300	1,659	2,000	121%	2,100	2,200	2,300	2,400
Engineering	4,440	5,000	1,110	1,500	135%	2,000	2,500	3,000	3,500
General Exp.	28,505	35,000	146,227	80,000	55%	50,000	40,000	20,000	20,000
Administrative	105,232	109,722	109,708	116,430	106%	121,170	123,980	127,650	131,550
<b>TOTAL</b>	<b>336,391</b>	<b>324,022</b>	<b>446,458</b>	<b>387,430</b>	<b>87%</b>	<b>363,770</b>	<b>374,180</b>	<b>356,450</b>	<b>368,450</b>
<b>Operating Profit or Loss</b>	<b>58,237</b>	<b>82,821</b>	<b>-66,627</b>	<b>-14,062</b>	<b>21%</b>	<b>37,098</b>	<b>30,320</b>	<b>50,550</b>	<b>42,250</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	185,736	186,850	187,414	187,000	100%	188,000	189,000	190,000	191,000
Availability	22,950	22,950	22,950	22,950	100%	22,950	22,950	22,950	22,950
G.V. Depr. Fund Int./Bond Int.	55,888	25,000	27,954	10,000	36%	1,000	1,000	1,500	1,500
	264,574	234,800	238,318	219,950	92%	211,950	212,950	214,450	215,450
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	58,400	54,000	53,700	54,000	101%	70,000	72,000	73,000	74,000
Bond Principal Payment	45,000	45,000	45,000	45,000	100%	50,000	50,000	50,000	55,000
Bond Interest Payments	84,313	82,569	82,569	81,040	98%	79,290	77,440	75,490	73,290
Costs	18,454	11,000	6,200	11,000	177%	11,000	11,000	11,000	11,000
<b>Non-Operating Net</b>	<b>206,167</b>	<b>192,569</b>	<b>187,469</b>	<b>191,040</b>	<b>102%</b>	<b>210,290</b>	<b>210,440</b>	<b>209,490</b>	<b>213,290</b>
<b>NET</b>	<b>116,644</b>	<b>125,052</b>	<b>-15,778</b>	<b>14,848</b>	<b>-94%</b>	<b>38,758</b>	<b>32,830</b>	<b>55,510</b>	<b>44,410</b>

# Past Budgets

5/1/2009

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2009 / 2010

	ACTUAL	BUDGET	ACTUAL	BUDGET	% Variance	BUDGET	BUDGET	BUDGET	BUDGET
	2007-2008	2008-2009	2008-2009	2009-2010	Budget to Actual	2010-2011	2011-2012	2012-2013	2012-2013
<b>OPERATING REVENUE</b>	279 AF	273 AF	242 AF	250 AF		255 AF	260 AF	265	270
Water Sales	328,523	322,000	285,760	308,732	98%	314,900	321,000	327,200	333,400
Service Charge	50,868	50,868	50,868	50,868	100%	50,868	50,868	50,868	50,868
Misc/Service Conn Revenue	440	500	220	500	114%	500	500	500	500
<b>TOTAL</b>	<b>379,831</b>	<b>373,368</b>	<b>336,848</b>	<b>360,100</b>	<b>98%</b>	<b>366,268</b>	<b>372,368</b>	<b>378,568</b>	<b>384,768</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	24,678	29,500	23,813	27,500	120%	29,500	30,500	31,500	33,000
Repairs to Bldgs & Grounds	1,882	2,000	3,222	2,500	106%	2,800	3,000	3,300	3,600
Rep to Grnd Source, Well Facilit.	11,560	6,000	4,120	25,000	52%	5,000	25,000	5,000	25,000
Repair to Pumping Equip.	43,732	30,000	28,223	15,000	69%	15,750	16,500	17,250	18,250
Power Purchased	70,680	75,000	68,893	70,000	106%	74,000	78,000	81,500	85,500
Purification	17,180	20,000	16,817	19,000	116%	20,500	22,000	23,500	25,000
Repair to Tanks	580	5,000	9,812	10,000	862%	3,000	13,000	3,500	4,000
Repair to Pipelines	9,761	12,000	10,774	8,000	123%	10,000	12,000	14,000	16,000
Repair to Services	4,597	5,000	3,455	5,000	109%	5,500	6,000	6,500	7,000
Repair to Fire Hydrants	3,104	3,000	2,433	2,000	97%	2,500	3,000	3,500	4,000
Meter Reading	1,659	2,000	1,527	1,650	121%	1,900	2,000	2,100	2,200
Engineering	1,110	1,500	0	1,000	135%	1,000	1,000	1,000	1,000
General Exp.	146,227	80,000	252,612	10,000	55%	25,000	25,000	20,000	20,000
Administrative	109,708	116,430	116,239	115,550	106%	120,580	124,420	128,590	133,000
<b>TOTAL</b>	<b>446,458</b>	<b>387,430</b>	<b>541,940</b>	<b>312,200</b>	<b>87%</b>	<b>317,030</b>	<b>361,420</b>	<b>341,240</b>	<b>377,550</b>
<b>Operating Profit or Loss</b>	<b>-66,627</b>	<b>-14,062</b>	<b>-205,092</b>	<b>47,900</b>	<b>21%</b>	<b>49,238</b>	<b>10,948</b>	<b>37,328</b>	<b>7,218</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	187,414	187,000	158,917	188,000	100%	188,000	188,250	188,500	188,750
Availability	22,950	22,950	22,950	22,950	100%	22,950	22,950	22,950	22,950
G.V. Depr. Fund Int./Bond Int.	27,954	10,000	8,540	3,000	36%	1,500	1,500	1,000	1,500
	238,318	219,950	190,407	213,950	92%	212,450	212,700	212,450	213,200
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	53,700	54,000	53,700	81,600	101%	83,000	60,000	85,000	60,000
Bond Principal Payment	45,000	45,000	45,000	50,000	100%	50,000	50,000	55,000	55,000
Bond Interest Payments	82,569	81,040	80,242	78,665	98%	76,875	74,975	72,900	70,650
Costs	6,200	11,000	8,600	8,600	177%	9,000	9,500	10,000	10,500
<b>Non-Operating Net</b>	<b>187,469</b>	<b>191,040</b>	<b>187,542</b>	<b>218,865</b>	<b>102%</b>	<b>218,875</b>	<b>194,475</b>	<b>222,900</b>	<b>196,150</b>
<b>NET</b>	<b>-15,778</b>	<b>14,848</b>	<b>-202,227</b>	<b>42,985</b>	<b>-94%</b>	<b>42,813</b>	<b>29,173</b>	<b>26,878</b>	<b>24,268</b>

# Past Budgets

5/1/2010

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2010 / 2011

	ACTUAL	BUDGET	ACTUAL	BUDGET	% Variance	BUDGET	BUDGET	BUDGET	BUDGET
	2008-2009	2009-2010	2009-2010	2010-2011	Budget to Actual	2011-2012	2012-2013	2013-2014	2014-2015
<b>OPERATING REVENUE</b>	242 AF	250 AF	211 AF	230 AF		205 AF	225 AF	230 AF	235
Water Sales	285,760	308,732	199,527	271,700	136%	203,490	228,640	234,890	241,015
Service Charge	50,868	50,868	50,868	50,868	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	220	500	0	220	100%	225	225	225	500
<b>TOTAL</b>	<b>336,848</b>	<b>360,100</b>	<b>250,395</b>	<b>322,788</b>	<b>129%</b>	<b>256,700</b>	<b>281,850</b>	<b>288,100</b>	<b>294,500</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	23,813	27,500	23,914	27,000	113%	30,000	30,000	31,000	31,000
Repairs to Bldgs & Grounds	3,222	2,500	7,101	8,000	113%	5,000	5,000	6,000	7,000
Rep to Grnd Source, Well Facilit.	4,120	25,000	23,492	25,000	106%	25,000	25,000	25,000	25,000
Repair to Pumping Equip.	28,223	15,000	9,697	12,000	124%	18,000	15,000	15,500	16,000
Power Purchased	68,893	70,000	58,491	75,000	128%	65,000	68,000	70,000	72,000
Purification	16,817	19,000	17,887	18,000	101%	20,000	20,000	21,000	21,000
Repair to Tanks	9,812	10,000	5,116	8,000	156%	5,000	6,000	7,000	8,000
Repair to Pipelines	10,774	8,000	7,473	6,000	80%	8,000	8,500	9,000	9,500
Repair to Services	3,455	5,000	3,335	6,000	180%	12,000	10,000	10,500	11,000
Repair to Fire Hydrants	2,433	2,000	137	1,500	1095%	1,000	1,500	2,000	2,500
Meter Reading	1,527	1,650	1,717	1,800	105%	1,800	1,850	1,900	1,950
Engineering	0	1,000	0	1,000	100%	500	1,000	1,000	1,000
General Exp.	252,612	10,000	15,990	18,000	113%	10,000	11,000	11,000	12,000
Administrative	116,239	115,550	102,860	105,890	103%	84,010	88,290	90,256	92,240
<b>TOTAL</b>	<b>541,940</b>	<b>312,200</b>	<b>277,210</b>	<b>313,190</b>	<b>113%</b>	<b>285,310</b>	<b>291,140</b>	<b>301,156</b>	<b>310,190</b>
<b>Operating Profit or Loss</b>	<b>-205,092</b>	<b>47,900</b>	<b>-26,815</b>	<b>9,598</b>	<b>-36%</b>	<b>-28,610</b>	<b>-9,290</b>	<b>-13,056</b>	<b>-15,690</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	158,917	188,000	197,615	189,000	96%	186,100	186,500	187,000	187,500
Availability	22,950	22,950	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	8,540	3,000	2,827	3,500	124%	1,800	2,000	2,100	2,200
	190,407	213,950	223,542	215,600	96%	211,000	211,600	212,200	212,800
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	53,700	81,600	81,600	81,600	100%	24,000	36,000	36,000	36,000
Bond Principal Payment	45,000	50,000	50,000	50,000	100%	50,000	50,000	55,000	55,000
Bond Interest Payments	80,242	78,665	78,226	76,865	98%	74,965	72,890	70,655	68,230
Costs	8,600	8,600	35,157	10,000	28%	12,000	12,000	11,500	11,500
<b>Non-Operating Net</b>	<b>187,542</b>	<b>218,865</b>	<b>244,983</b>	<b>218,465</b>	<b>89%</b>	<b>160,965</b>	<b>170,890</b>	<b>173,155</b>	<b>170,730</b>
<b>NET</b>	<b>-202,227</b>	<b>42,985</b>	<b>-48,256</b>	<b>6,733</b>	<b>-14%</b>	<b>21,425</b>	<b>31,420</b>	<b>25,989</b>	<b>26,380</b>

# Past Budgets

5/1/2011

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2011 / 2012

	ACTUAL		BUDGET		% Variance Budget to Actual	BUDGET		BUDGET		BUDGET	
	2009-2010	2010-2011	2010-2011	2011-2012		2012-2013	2013-2014	2014-2015	2014-2016		
<b>OPERATING REVENUE</b>	211 AF	230 AF	192 AF	205 AF		225 AF	230 AF	235 AF	240		
Water Sales	199,527	271,700	186,490	203,490	136%	228,640	234,890	241,015	247,015		
Service Charge	50,868	50,868	52,985	52,985	100%	52,985	52,985	52,985	52,985		
Misc/Service Conn Revenue	0	220	0	225	100%	225	225	500	500		
<b>TOTAL</b>	<b>250,395</b>	<b>322,788</b>	<b>239,475</b>	<b>256,700</b>	<b>129%</b>	<b>281,850</b>	<b>288,100</b>	<b>294,500</b>	<b>300,500</b>		
<b>OPERATING EXPENSES</b>											
Operating Supplies & Exp.	23,914	27,000	20,573	30,000	113%	30,000	31,000	31,000	32,000		
Repairs to Bldgs & Grounds	7,101	8,000	4,410	5,000	113%	5,000	6,000	7,000	8,000		
Rep to Grnd Source, Well Facilit.	23,492	25,000	2,564	25,000	106%	25,000	25,000	25,000	25,000		
Repair to Pumping Equip.	9,697	12,000	22,460	18,000	124%	15,000	15,500	16,000	16,500		
Power Purchased	58,491	75,000	55,948	65,000	128%	68,000	70,000	72,000	74,000		
Purification	17,887	18,000	26,264	20,000	101%	20,000	21,000	21,000	22,000		
Repair to Tanks	5,116	8,000	4,900	5,000	156%	6,000	7,000	8,000	9,000		
Repair to Pipelines	7,473	6,000	10,290	8,000	80%	8,500	9,000	9,500	10,000		
Repair to Services	3,335	6,000	9,566	12,000	180%	10,000	10,500	11,000	11,500		
Repair to Fire Hydrants	137	1,500	547	1,000	1095%	1,500	2,000	2,500	3,000		
Meter Reading	1,717	1,800	1,958	1,800	105%	1,850	1,900	1,950	2,000		
Engineering	0	1,000	1,830	500	100%	1,000	1,000	1,000	1,000		
General Exp.	15,990	18,000	7,343	10,000	113%	11,000	11,000	12,000	12,000		
Administrative	102,860	105,890	90,706	84,010	103%	88,290	90,256	92,240	94,340		
<b>TOTAL</b>	<b>277,210</b>	<b>313,190</b>	<b>259,359</b>	<b>285,310</b>	<b>113%</b>	<b>291,140</b>	<b>301,156</b>	<b>310,190</b>	<b>320,340</b>		
<b>Operating Profit or Loss</b>	<b>-26,815</b>	<b>9,598</b>	<b>-19,884</b>	<b>-28,610</b>	<b>-36%</b>	<b>-9,290</b>	<b>-13,056</b>	<b>-15,690</b>	<b>-19,840</b>		
<b>NON-OPERATING REVENUE</b>											
General Taxes / Bond Taxes	197,615	189,000	200,775	186,100	96%	186,500	187,000	187,500	188,000		
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100		
G.V. Depr. Fund Int./Bond Int.	2,827	3,500	1,288	1,800	124%	2,000	2,100	2,200	2,300		
	223,542	215,600	225,163	211,000	96%	211,600	212,200	212,800	213,400		
<b>NON-OPERATING EXPENSES</b>											
Funded Depreciation	81,600	81,600	81,600	24,000	100%	36,000	36,000	36,000	36,000		
Bond Principal Payment	50,000	50,000	50,000	50,000	100%	50,000	55,000	55,000	60,000		
Bond Interest Payments	78,226	76,865	76,401	74,965	98%	72,890	70,655	68,230	65,000		
Costs	35,157	10,000	11,129	12,000	28%	12,000	11,500	11,500	11,000		
<b>Non-Operating Net</b>	<b>244,983</b>	<b>218,465</b>	<b>219,130</b>	<b>160,965</b>	<b>89%</b>	<b>170,890</b>	<b>173,155</b>	<b>170,730</b>	<b>172,000</b>		
<b>NET</b>	<b>-48,256</b>	<b>6,733</b>	<b>-13,851</b>	<b>21,425</b>	<b>-14%</b>	<b>31,420</b>	<b>25,989</b>	<b>26,380</b>	<b>21,560</b>		

# Past Budgets

June 2012

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2012 / 2013

	ACTUAL 2010-2011	BUDGET 2011-2012	ACTUAL 2011-2012	BUDGET 2012-2013	% Variance Budget to Projected	BUDGET 2013-2014	BUDGET 2014-2015	BUDGET 2015-2016	BUDGET 2016-2017
<b>OPERATING REVENUE</b>	192 AF	205 AF	187 AF	190 AF		193 AF	197 AF	201 AF	205
Water Sales	186,490	203,490	180,608	181,790	101%	185,340	189,140	192,915	196,765
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	0	225	0	225	100%	225	225	500	500
<b>Sub-Total</b>	<b>239,475</b>	<b>256,700</b>	<b>233,593</b>	<b>235,000</b>	<b>101%</b>	<b>238,550</b>	<b>242,350</b>	<b>246,400</b>	<b>250,250</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	200,775	186,100	184,720	184,720	100%	184,800	185,000	185,200	185,400
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	1,288	1,800	615	700	114%	725	750	775	800
<b>Sub-Total</b>	<b>225,163</b>	<b>211,000</b>	<b>208,435</b>	<b>208,520</b>	<b>100%</b>	<b>208,625</b>	<b>208,850</b>	<b>209,075</b>	<b>209,300</b>
<b>TOTAL REVENUE</b>	<b>464,638</b>	<b>467,700</b>	<b>442,028</b>	<b>443,520</b>	<b>100%</b>	<b>447,175</b>	<b>451,200</b>	<b>455,475</b>	<b>459,550</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	20,573	30,000	10,332	11,500	111%	12,000	12,500	13,000	13,500
Repairs to Bldgs & Grounds	4,410	5,000	2,504	4,000	160%	4,500	5,000	5,500	6,000
Rep to Grnd Source, Well Facilit.	2,564	25,000	0	5,000	100%	25,000	5,000	25,000	5,000
Repair to Pumping Equip.	22,460	18,000	14,224	14,000	98%	14,500	15,000	15,500	16,000
Power Purchased	55,948	65,000	52,036	50,000	96%	52,000	54,000	56,000	58,000
Purification	26,264	20,000	23,775	25,000	105%	26,000	27,000	28,000	29,000
Repair to Tanks	4,900	5,000	428	2,500	584%	3,000	3,500	4,000	4,500
Repair to Pipelines	10,290	8,000	9,399	13,000	138%	15,000	17,000	19,000	21,000
Repair to Services	9,566	12,000	3,485	8,000	230%	8,500	9,000	9,500	10,000
Repair to Fire Hydrants	547	1,000	859	1,000	100%	1,500	2,000	2,500	3,000
Meter Reading	1,958	1,800	966	1,500	155%	1,550	1,600	1,650	1,700
Engineering	1,830	500	0	500	100%	500	500	500	500
General Exp.	7,343	10,000	1,420	5,000	352%	5,000	5,000	5,000	5,000
Administrative	90,706	87,210	97,789	89,410	91%	91,900	94,680	97,055	99,470
<b>Sub-Total</b>	<b>259,359</b>	<b>288,510</b>	<b>217,217</b>	<b>230,410</b>	<b>106%</b>	<b>260,950</b>	<b>251,780</b>	<b>282,205</b>	<b>272,670</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	81,600	24,000	24,000	24,000	100%	12,000	24,000	0	12,000
Bond Principal Payment	50,000	50,000	50,000	55,000	110%	55,000	60,000	60,000	65,000
Bond Interest Payments	76,401	74,965	74,951	72,890	97%	70,655	68,230	65,605	62,810
Costs	11,129	12,000	11,052	12,000	109%	12,000	11,500	11,500	11,000
<b>Sub-Total</b>	<b>219,130</b>	<b>160,965</b>	<b>160,003</b>	<b>163,890</b>	<b>102%</b>	<b>149,655</b>	<b>163,730</b>	<b>137,105</b>	<b>150,810</b>
<b>TOTAL EXPENSES</b>	<b>478,489</b>	<b>449,475</b>	<b>377,220</b>	<b>394,300</b>	<b>105%</b>	<b>410,605</b>	<b>415,510</b>	<b>419,310</b>	<b>423,480</b>
<b>Operating Profit or Loss</b>	<b>(13,851)</b>	<b>18,225</b>	<b>64,808</b>	<b>49,220</b>	<b>76%</b>	<b>36,570</b>	<b>35,690</b>	<b>36,165</b>	<b>36,070</b>
<b>Cost of Capital Projects Completed</b>	<b>112,163</b>	<b>96,536</b>	<b>43,918</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>WORKING CAPITAL / CASH FLOW*</b>	<b>(126,014)</b>	<b>(78,311)</b>	<b>20,890</b>	<b>24,220</b>	<b>116%</b>	<b>11,570</b>	<b>10,690</b>	<b>11,165</b>	<b>11,070</b>
<b>Depreciation</b>	<b>124,601</b>	<b>124,000</b>	<b>140,879</b>	<b>142,000</b>	<b>101%</b>	<b>142,500</b>	<b>143,000</b>	<b>143,500</b>	<b>144,000</b>

# Past Budgets

June 2013

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2013 / 2014

	ACTUAL 2011-2012	BUDGET 2012-2013	ACTUAL 2012-2013	BUDGET 2013-2014	% Variance Budget to Projected	BUDGET 2014-2015	BUDGET 2015-2016	BUDGET 2016-2017	BUDGET 2017-2018
<b>OPERATING REVENUE</b>	187 AF	190 AF	222 AF	195 AF		198 AF	201 AF	204 AF	207
Water Sales	180,608	181,790	232,455	191,500	82%	194,500	197,500	200,500	203,500
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	0	225	0	250	100%	250	225	500	500
<b>Sub-Total</b>	<b>233,593</b>	<b>235,000</b>	<b>285,440</b>	<b>244,735</b>	<b>86%</b>	<b>247,735</b>	<b>250,710</b>	<b>253,985</b>	<b>256,985</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	184,720	184,720	188,275	184,800	98%	185,000	185,200	185,400	185,600
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	615	700	419	425	101%	450	475	500	525
<b>Sub-Total</b>	<b>208,435</b>	<b>208,520</b>	<b>211,794</b>	<b>208,325</b>	<b>98%</b>	<b>208,550</b>	<b>208,775</b>	<b>209,000</b>	<b>209,225</b>
<b>TOTAL REVENUE</b>	<b>442,028</b>	<b>443,520</b>	<b>497,234</b>	<b>453,060</b>	<b>91%</b>	<b>456,285</b>	<b>459,485</b>	<b>462,985</b>	<b>466,210</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	10,332	11,500	12,288	9,000	73%	9,300	9,500	9,800	10,000
Repairs to Bldgs & Grounds	2,504	4,000	4,150	5,000	120%	5,000	5,500	5,500	6,000
Rep to Grnd Source, Well Facilit.	0	5,000	0	5,000	100%	20,000	5,000	20,000	5,000
Repair to Pumping Equip.	14,224	14,000	10,721	14,000	131%	14,500	15,000	15,500	16,000
Power Purchased	52,036	50,000	61,607	58,000	94%	60,000	61,500	63,500	65,000
Purification	23,775	25,000	17,586	14,000	80%	15,000	16,000	17,000	18,000
Repair to Tanks	428	2,500	466	2,000	429%	2,500	3,000	3,500	4,000
Repair to Pipelines	9,399	13,000	4,169	8,000	192%	8,500	9,000	9,500	10,000
Repair to Services	3,485	8,000	1,992	5,000	251%	6,000	7,000	8,000	9,000
Repair to Fire Hydrants	859	1,000	1,711	2,000	100%	2,000	2,000	2,500	3,000
Meter Reading	966	1,500	662	1,000	151%	1,050	1,100	1,200	1,300
Engineering	0	500	0	500	100%	500	500	500	500
General Exp.	1,135	5,000	3,105	5,000	161%	5,000	5,000	5,000	5,000
Uncollectable Water Bills	285	0	403	0	0%	300	300	300	300
Administrative	97,789	89,410	97,219	101,870	105%	102,660	106,650	110,763	114,800
<b>Sub-Total</b>	<b>217,217</b>	<b>230,410</b>	<b>216,079</b>	<b>230,370</b>	<b>107%</b>	<b>252,310</b>	<b>247,050</b>	<b>272,563</b>	<b>267,900</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	24,000	24,000	24,000	24,000	100%	24,000	24,000	24,000	24,000
Bond Principal Payment	50,000	55,000	55,000	55,000	100%	60,000	60,000	65,000	65,000
Bond Interest Payments	74,951	72,890	72,025	70,655	98%	68,230	65,605	62,810	59,835
Costs	11,052	12,000	9,060	11,600	128%	12,000	11,500	11,500	11,000
<b>Sub-Total</b>	<b>160,003</b>	<b>163,890</b>	<b>160,085</b>	<b>161,255</b>	<b>101%</b>	<b>164,230</b>	<b>161,105</b>	<b>163,310</b>	<b>159,835</b>
<b>TOTAL EXPENSES</b>	<b>377,220</b>	<b>394,300</b>	<b>376,164</b>	<b>391,625</b>	<b>104%</b>	<b>416,540</b>	<b>408,155</b>	<b>435,873</b>	<b>427,735</b>
<b>Operating Profit or Loss</b>	<b>64,808</b>	<b>49,220</b>	<b>121,070</b>	<b>61,435</b>	<b>51%</b>	<b>39,745</b>	<b>51,330</b>	<b>27,112</b>	<b>38,475</b>
<b>Cost of Capital Projects Completed</b>	<b>43,918</b>	<b>25,000</b>	<b>29,112</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>CASH FLOW</b>	<b>20,890</b>	<b>24,220</b>	<b>91,958</b>	<b>36,435</b>	<b>40%</b>	<b>14,745</b>	<b>26,330</b>	<b>2,112</b>	<b>13,475</b>
<b>Depreciation</b>	<b>140,879</b>	<b>142,000</b>	<b>140,125</b>	<b>141,000</b>	<b>101%</b>	<b>141,500</b>	<b>142,000</b>	<b>142,500</b>	<b>143,000</b>



# Past Budgets

7/1/2015

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2014 / 2015

	ACTUAL 2012-2013	BUDGET 2013-2014	ACTUAL 2013-2014	BUDGET 2014-2015	% Variance Budget to Projected	BUDGET 2015-2016	BUDGET 2016-2017	BUDGET 2017-2018	BUDGET 2018-2019
<b>OPERATING REVENUE</b>	222 AF	195 AF	231 AF	225 AF		223 AF	224 AF	226 AF	228
Water Sales	232,455	191,515	242,890	237,325	98%	235,215	236,270	238,430	240,540
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	0	200	0	200	100%	200	200	200	200
<b>Sub-Total</b>	<b>285,440</b>	<b>244,700</b>	<b>295,875</b>	<b>290,510</b>	<b>98%</b>	<b>288,400</b>	<b>289,455</b>	<b>291,615</b>	<b>293,725</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	188,275	184,800	187,575	185,234	99%	188,000	188,000	188,275	188,275
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	419	425	141	100	71%	125	150	175	200
<b>Sub-Total</b>	<b>211,794</b>	<b>208,325</b>	<b>210,816</b>	<b>208,434</b>	<b>99%</b>	<b>211,225</b>	<b>211,250</b>	<b>211,550</b>	<b>211,575</b>
<b>TOTAL REVENUE</b>	<b>497,234</b>	<b>453,025</b>	<b>506,691</b>	<b>498,944</b>	<b>98%</b>	<b>499,625</b>	<b>500,705</b>	<b>503,165</b>	<b>505,300</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	12,288	9,000	16,844	20,000	119%	20,350	21,000	21,500	22,250
Repairs to Bldgs & Grounds	4,150	5,000	8,328	5,000	60%	5,500	6,000	6,500	7,000
Rep to Grnd Source, Well Facilt.	0	5,000	8,170	8,000	100%	20,000	8,000	20,000	8,000
Repair to Pumping Equip.	10,721	14,000	15,152	18,000	119%	18,500	19,000	19,500	20,000
Power Purchased	61,607	58,000	58,982	60,000	102%	62,000	64,000	66,000	68,000
Purification	17,586	14,000	19,997	18,000	90%	18,500	19,000	19,500	20,000
Repair to Tanks	466	5,200	5,050	4,000	79%	4,000	4,000	4,500	4,500
Repair to Pipelines	4,169	8,000	1,058	5,000	473%	5,500	6,000	6,500	7,000
Repair to Services	1,992	5,000	769	2,500	325%	2,500	3,000	3,000	3,500
Repair to Fire Hydrants	1,711	2,000	337	2,000	100%	2,000	2,000	2,500	3,000
Meter Reading	662	1,000	903	1,100	122%	1,150	1,150	1,200	1,200
Engineering	0	500	0	500	100%	500	500	500	500
General Exp.	3,105	5,000	2,205	3,000	136%	3,500	4,000	4,500	5,000
Uncollectable Water Bills	403	0	456	500	0%	500	500	500	500
Administrative	97,219	101,870	90,927	98,110	108%	102,230	105,360	108,340	112,130
<b>Sub-Total</b>	<b>216,079</b>	<b>233,570</b>	<b>229,178</b>	<b>245,710</b>	<b>107%</b>	<b>266,730</b>	<b>263,510</b>	<b>284,540</b>	<b>282,580</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	24,000	24,000	24,000	24,000	100%	24,000	24,000	24,000	24,000
Bond Principal Payment	55,000	55,000	55,000	60,000	109%	60,000	65,000	65,000	70,000
Bond Interest Payments	72,025	70,655	69,902	68,230	98%	65,605	62,810	59,835	56,660
Costs	9,060	11,600	18,458	14,800	80%	14,500	14,500	14,500	14,500
<b>Sub-Total</b>	<b>160,085</b>	<b>161,255</b>	<b>167,360</b>	<b>167,030</b>	<b>100%</b>	<b>164,105</b>	<b>166,310</b>	<b>163,335</b>	<b>165,160</b>
<b>TOTAL EXPENSES</b>	<b>376,164</b>	<b>394,825</b>	<b>396,538</b>	<b>412,740</b>	<b>104%</b>	<b>430,835</b>	<b>429,820</b>	<b>447,875</b>	<b>447,740</b>
<b>Operating Profit or Loss</b>	<b>121,070</b>	<b>58,200</b>	<b>110,153</b>	<b>86,204</b>	<b>78%</b>	<b>68,790</b>	<b>70,885</b>	<b>55,290</b>	<b>57,560</b>
<b>Cost of Capital Projects Completed</b>	<b>29,112</b>	<b>25,000</b>	<b>100,196</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>* CASH FLOW</b>	<b>91,958</b>	<b>33,200</b>	<b>9,957</b>	<b>61,204</b>	<b>615%</b>	<b>43,790</b>	<b>45,885</b>	<b>30,290</b>	<b>32,560</b>
<b>Depreciation</b>	<b>140,125</b>	<b>141,000</b>	<b>141,636</b>	<b>141,000</b>	<b>100%</b>	<b>141,500</b>	<b>142,000</b>	<b>142,500</b>	<b>143,000</b>

# Past Budgets

7/1/2015

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2015 / 2016

	ACTUAL 2013-2014	BUDGET 2014-2015	ACTUAL 2014-2015	BUDGET 2015-2016	% Variance Budget to Projected	BUDGET 2016-2017	BUDGET 2017-2018	BUDGET 2018-2019	BUDGET 2019-2020
<b>OPERATING REVENUE</b>	231 AF	230 AF	199 AF	224 AF		225 AF	225 AF	226 AF	227
Water Sales	242,890	241,815	196,262	209,815	107%	211,315	211,315	213,315	215,315
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	0	200	390	200	100%	200	200	200	200
<b>Sub-Total</b>	<b>295,875</b>	<b>295,000</b>	<b>249,637</b>	<b>263,000</b>	<b>105%</b>	<b>264,500</b>	<b>264,500</b>	<b>266,500</b>	<b>268,500</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	187,575	185,234	187,500	187,530	100%	188,000	188,000	188,275	188,275
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	141	100	87	100	115%	125	150	175	200
<b>Sub-Total</b>	<b>210,816</b>	<b>208,434</b>	<b>210,687</b>	<b>210,730</b>	<b>100%</b>	<b>211,225</b>	<b>211,250</b>	<b>211,550</b>	<b>211,575</b>
<b>TOTAL REVENUE</b>	<b>506,691</b>	<b>503,434</b>	<b>460,324</b>	<b>473,730</b>	<b>103%</b>	<b>475,725</b>	<b>475,750</b>	<b>478,050</b>	<b>480,075</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	16,844	20,000	12,770	14,500	114%	20,350	21,000	21,500	22,250
Repairs to Bldgs & Grounds	8,327	5,000	838	5,000	597%	5,500	6,000	6,500	7,000
Rep to Grnd Source, Well Facilt.	8,170	8,000	0	8,000	100%	20,000	8,000	20,000	8,000
Repair to Pumping Equip.	15,152	18,000	11,958	15,000	125%	18,500	19,000	19,500	20,000
Power Purchased	58,982	60,000	47,313	55,000	116%	62,000	64,000	66,000	68,000
Purification	19,997	18,000	17,641	18,000	102%	18,500	19,000	19,500	20,000
Repair to Tanks	5,050	4,000	3,250	4,000	123%	4,000	4,000	4,500	4,500
Repair to Pipelines	1,058	5,000	13,336	5,000	37%	5,500	6,000	6,500	7,000
Repair to Services	769	2,500	4,668	7,500	161%	2,500	3,000	3,000	3,500
Repair to Fire Hydrants	337	2,000	2,237	2,000	100%	2,000	2,000	2,500	3,000
Meter Reading	903	1,100	938	1,000	107%	1,150	1,150	1,200	1,200
Engineering	0	500	0	500	100%	500	500	500	500
General Exp.	2,205	3,000	3,792	5,000	132%	3,500	4,000	4,500	5,000
Uncollectable Water Bills	456	500	345	1,000	0%	500	500	500	500
Administrative	90,927	98,110	90,189	95,150	106%	96,280	100,410	102,640	108,040
<b>Sub-Total</b>	<b>229,177</b>	<b>245,710</b>	<b>209,275</b>	<b>236,650</b>	<b>113%</b>	<b>260,780</b>	<b>258,560</b>	<b>278,840</b>	<b>278,490</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	24,000	24,000	24,000	24,000	100%	24,000	24,000	24,000	24,000
Bond Principal Payment	55,000	60,000	60,000	60,000	100%	65,000	65,000	70,000	70,000
Bond Interest Payments	69,902	68,230	67,375	65,605	97%	62,810	59,835	56,660	53,315
Costs	18,458	14,800	10,392	14,500	140%	14,500	14,500	14,500	14,500
<b>Sub-Total</b>	<b>167,360</b>	<b>167,030</b>	<b>161,767</b>	<b>164,105</b>	<b>101%</b>	<b>166,310</b>	<b>163,335</b>	<b>165,160</b>	<b>161,815</b>
<b>TOTAL EXPENSES</b>	<b>396,537</b>	<b>412,740</b>	<b>371,042</b>	<b>400,755</b>	<b>108%</b>	<b>427,090</b>	<b>421,895</b>	<b>444,000</b>	<b>440,305</b>
<b>Operating Profit or Loss</b>	<b>110,154</b>	<b>90,694</b>	<b>89,282</b>	<b>72,975</b>	<b>82%</b>	<b>48,635</b>	<b>53,855</b>	<b>34,050</b>	<b>39,770</b>
<b>Cost of Capital Projects Completed</b>	<b>100,196</b>	<b>35,000</b>	<b>2,213</b>	<b>45,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>* CASH FLOW</b>	<b>9,958</b>	<b>55,694</b>	<b>87,069</b>	<b>27,975</b>	<b>32%</b>	<b>23,635</b>	<b>28,855</b>	<b>9,050</b>	<b>14,770</b>
<b>Depreciation</b>	<b>141,636</b>	<b>143,000</b>	<b>144,145</b>	<b>145,000</b>	<b>101%</b>	<b>145,500</b>	<b>146,000</b>	<b>146,500</b>	<b>147,000</b>

# Past Budgets

7/1/2016

## LAKE HEMET MUNICIPAL WATER DISTRICT GARNER VALLEY BUDGET FY 2016 / 2017

	ACTUAL 2014-2015	BUDGET 2015-2016	ACTUAL 2015-2016	BUDGET 2016-2017	% Variance Budget to Projected	BUDGET 2017-2018	BUDGET 2018-2019	BUDGET 2019-2020	BUDGET 2020-2021
<b>OPERATING REVENUE</b>	199 AF	224 AF	174 AF	195 AF		200 AF	205 AF	210 AF	215
Water Sales	196,262	209,815	190,262	191,345	101%	197,615	203,885	210,150	216,425
Service Charge	52,985	52,985	52,985	52,985	100%	52,985	52,985	52,985	52,985
Misc/Service Conn Revenue	390	200	0	200	100%	200	200	200	200
<b>Sub-Total</b>	<b>249,637</b>	<b>263,000</b>	<b>243,247</b>	<b>244,530</b>	<b>101%</b>	<b>250,800</b>	<b>257,070</b>	<b>263,335</b>	<b>269,610</b>
<b>NON-OPERATING REVENUE</b>									
General Taxes / Bond Taxes	187,500	187,530	216,077	194,137	90%	194,200	194,200	194,300	194,300
Availability	23,100	23,100	23,100	23,100	100%	23,100	23,100	23,100	23,100
G.V. Depr. Fund Int./Bond Int.	87	100	136	100	74%	100	125	150	175
<b>Sub-Total</b>	<b>210,687</b>	<b>210,730</b>	<b>239,313</b>	<b>217,337</b>	<b>91%</b>	<b>217,400</b>	<b>217,425</b>	<b>217,550</b>	<b>217,575</b>
<b>TOTAL REVENUE</b>	<b>460,324</b>	<b>473,730</b>	<b>482,560</b>	<b>461,867</b>	<b>96%</b>	<b>468,200</b>	<b>474,495</b>	<b>480,885</b>	<b>487,185</b>
<b>OPERATING EXPENSES</b>									
Operating Supplies & Exp.	12,770	14,500	11,291	13,000	115%	14,000	14,500	15,000	16,000
Repairs to Bldgs & Grounds	838	5,000	4,042	5,000	124%	5,500	6,000	6,500	7,000
Rep to Grnd Source, Well Facilit.	0	8,000	0	8,000	100%	20,000	8,000	20,000	8,000
Repair to Pumping Equip.	11,958	15,000	13,599	16,000	118%	18,500	19,000	19,500	20,000
Power Purchased	47,313	55,000	45,647	48,000	105%	54,000	56,000	58,000	60,000
Purification	17,641	18,000	13,181	14,000	106%	16,000	17,000	18,000	19,000
Repair to Tanks	3,250	4,000	0	4,000	100%	4,000	4,000	4,500	4,500
Repair to Pipelines	13,336	5,000	4,443	7,000	158%	7,500	8,000	8,500	9,000
Repair to Services	4,668	7,500	5,145	7,000	136%	7,500	8,000	8,500	9,000
Repair to Fire Hydrants	2,237	2,000	32	2,000	100%	2,000	2,000	2,500	3,000
Meter Reading	938	1,000	830	1,050	127%	1,400	1,400	1,450	1,500
Engineering	0	500	0	500	100%	500	500	500	500
General Exp.	3,792	5,000	3,491	5,000	143%	5,500	5,500	6,000	6,000
Uncollectable Water Bills	345	1,000	97	1,000	0%	1,000	1,000	1,000	1,000
Administrative	90,189	95,150	95,150	100,300	105%	103,870	107,700	112,100	118,250
<b>Sub-Total</b>	<b>209,275</b>	<b>236,650</b>	<b>196,948</b>	<b>231,850</b>	<b>118%</b>	<b>261,270</b>	<b>258,600</b>	<b>282,050</b>	<b>282,750</b>
<b>NON-OPERATING EXPENSES</b>									
Funded Depreciation	24,000	24,000	75,000	24,000	32%	36,000	24,000	24,000	24,000
Bond Principal Payment	60,000	60,000	60,000	65,000	108%	65,000	70,000	70,000	75,000
Bond Interest Payments	67,375	65,605	64,720	62,810	97%	59,835	56,660	53,315	49,820
Costs	10,392	14,500	10,386	13,000	125%	14,500	14,500	14,500	14,500
<b>Sub-Total</b>	<b>161,767</b>	<b>164,105</b>	<b>210,106</b>	<b>164,810</b>	<b>78%</b>	<b>175,335</b>	<b>165,160</b>	<b>161,815</b>	<b>163,320</b>
<b>TOTAL EXPENSES</b>	<b>371,042</b>	<b>400,755</b>	<b>407,054</b>	<b>396,660</b>	<b>97%</b>	<b>436,605</b>	<b>423,760</b>	<b>443,865</b>	<b>446,070</b>
<b>Operating Profit or Loss</b>	<b>89,282</b>	<b>72,975</b>	<b>75,506</b>	<b>65,207</b>	<b>86%</b>	<b>31,595</b>	<b>50,735</b>	<b>37,020</b>	<b>41,115</b>
<b>Cost of Capital Projects Completed</b>	<b>2,213</b>	<b>45,000</b>	<b>9,832</b>	<b>50,000</b>		<b>130,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>* CASH FLOW</b>	<b>87,069</b>	<b>27,975</b>	<b>65,674</b>	<b>15,207</b>	<b>23%</b>	<b>31,595</b>	<b>25,735</b>	<b>12,020</b>	<b>16,115</b>
<b>Depreciation</b>	<b>144,128</b>	<b>145,000</b>	<b>144,000</b>	<b>145,000</b>	<b>101%</b>	<b>145,500</b>	<b>146,000</b>	<b>146,500</b>	<b>147,000</b>

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - **General & Administration Expense Allocation**
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

July 2017

**BUDGET PREPARATION WORKSHEET  
DETAIL OF GENERAL AND ADMINISTRATION  
2017-2018**

	<u>ACTUAL</u> 2015-2016	<u>BUDGET</u> 2016-2017	<u>PROJECTED</u> 2016-2017	<u>BUDGET</u> 2017-2018	% Variance Budget to Projected	<u>BUDGET</u> 2018-2019	<u>BUDGET</u> 2019-2020	<u>BUDGET</u> 2020-2021	<u>BUDGET</u> 2021-2022
Salary-Gen. Officers	397,756	412,000	410,000	418,500	102%	426,500	435,500	444,000	453,000
Salary-Office Clerks	777,240	785,000	793,500	820,000	103%	844,500	870,000	896,000	923,000
Salary-Constr. Supervisors	215,448	222,000	221,500	225,500	102%	230,000	234,500	239,500	244,000
Salary-Back Flow Inspect	16,707	20,000	11,000	12,000	109%	12,500	12,500	13,000	13,000
Salary-Service Coordinator	61,974	52,000	63,000	66,000	105%	67,500	69,000	70,000	72,000
In-lieu Benefits (sick)	261,997	250,000	250,000	115,000	46%	100,000	75,000	50,000	50,000
In-lieu Health Insurance	30,245	32,500	28,000	29,500	105%	29,500	30,500	31,000	32,000
Injury Prevention	4,200	5,000	6,850	5,000	73%	5,000	5,000	5,000	5,000
Business Training / Classes	569	500	0	500	100%	500	500	500	500
Misc Office Supplies	61,155	70,000	78,000	85,000	109%	86,500	88,500	90,000	92,000
Legal Expense	79,199	100,000	93,425	95,000	102%	100,000	100,000	100,000	100,000
Engineering Expense	132,552	135,500	140,000	144,500	103%	149,000	152,000	155,000	158,000
Engineering Training/Classes	1,964	1,000	896	1,000	112%	1,000	1,000	1,000	1,000
Water Master Costs	221,548	475,000	422,000	450,000	107%	680,000	694,000	708,000	722,000
Injuries & Damages	0	5,000	0	5,000	100%	5,000	5,000	5,000	5,000
Insurance	1,158,322	1,105,000	1,165,000	1,225,500	105%	1,287,000	1,351,000	1,420,000	1,489,000
Operating Permits, Fees, Dues	128,426	150,000	103,000	125,000	121%	129,000	133,000	136,500	141,000
Misc General Expense	241,325	260,000	216,000	240,000	111%	245,000	250,000	255,000	260,000
Dist contr to retirement	582,215	768,500	652,000	785,000	120%	883,500	947,000	1,034,500	1,179,000
Bank Credit Card Fees	91,678	95,000	104,000	108,000	104%	111,000	115,000	118,000	122,000
Employee Appreciation	4,528	10,000	5,000	10,000	200%	10,000	10,000	10,000	10,000
Formal Education	6,195	10,000	5,500	10,000	182%	10,000	10,000	10,000	10,000
Back Flow Expense	27,393	32,000	26,000	28,000	108%	29,000	30,000	30,500	31,500
Repairs to Office Equip	140,847	148,000	110,000	160,000	145%	113,000	117,000	120,000	124,000
Repairs to Shop Equip	48,905	58,000	50,000	52,000	104%	53,500	55,000	57,000	58,500
Repairs-Garage Equip	412,075	435,000	375,000	400,000	107%	412,000	424,500	437,000	450,000
Mechanic Training/Classes	1,446	1,000	500	1,000	200%	1,000	1,000	1,500	1,500
Directors Fees	7,050	9,000	9,000	9,000	100%	9,500	9,500	10,000	10,000
Security Expense	90,786	90,000	95,000	98,000	103%	101,000	104,000	107,000	110,000
Safety Expense	68,064	68,000	50,000	53,000	106%	55,000	56,000	58,000	60,000
Undistributed Adjustments	-3,041	8,000	20,000	10,000	50%	12,000	14,000	16,000	18,000
Uncollectible water bills	41,148	60,000	58,000	56,000	100%	58,000	58,000	60,000	60,000
Payroll Taxes	340,832	359,000	348,000	330,000	95%	346,500	364,000	382,000	401,000
<b>G &amp; A TOTAL</b>	<b>5,650,748</b>	<b>6,232,000</b>	<b>5,908,171</b>	<b>6,173,000</b>	<b>104%</b>	<b>6,603,500</b>	<b>6,822,000</b>	<b>7,071,000</b>	<b>7,406,000</b>
<b>% of G &amp; A to Garner Valley</b>	<b>(95,169) 2%</b>	<b>(99,840) 2%</b>	<b>(96,787) 2%</b>	<b>(100,300) 2%</b>	<b>104% 2%</b>	<b>(103,870)</b>	<b>(107,700) 0</b>	<b>(112,100) 2%</b>	<b>(118,250)</b>
	<u>5,555,579</u>	<u>6,132,160</u>	<u>5,811,384</u>	<u>6,072,700</u>	<u>104%</u>	<u>6,499,630</u>	<u>6,714,300</u>	<u>6,958,900</u>	<u>7,287,750</u>
Depreciation-water & sewer infrastructures	2,969,234	3,034,000	3,012,200	3,042,500	101%	3,072,500	3,103,500	3,134,500	3,166,000

## **GARNER VALLEY**

### **G&A ITEMS TRACKED SEPARATE:**

- **Back flow inspection**
- **Business Training**
- **Legal Expense**
- **Engineering/Training**
- **Water Master**
- **Injuries/Damages**
- **Operating Permits**
- **Misc. General**
- **Back flow expense**
- **Mechanic Training**
- **Uncollectible Water**

## GENERAL & ADMINISTRATIVE EXPENSE ALLOCATION

- **TOTAL - NIC = Eligible G&A**
- **\$6,173,000 - \$1,158,000 = \$5,015,000**
- **TOTAL LH EXPENSES = \$18,990,510**
- **GV Expenses = \$408,110 = 2% of TOTAL**
- **2% of \$5,015,000 = \$100,300**

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - **Review Rate Determination**
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**



# GARNER VALLEY

## Rate Calculation (FY16/17)

	Past Accumulated Deficit	\$1,738,650	
	Pay-off Term	20 years	
	Annual Payment	\$86,933 /year	
	FY16/17		
	Water Sales	\$194,103	
	Service Factor	\$52,985	
<b>REVENUE</b>	Property Tax	\$194,000	
	Availability	\$23,100	
	Service/Interest	\$815	
		\$465,003	
	Op. Exp.	\$236,287	
	Non. Op. Exp.	\$135,008	
<b>EXPENSES</b>	Funded Dep.	\$75,000	
	Capital Projects	\$20,000	
		\$466,295	
	Operating Profit/Loss	-\$1,292	
	Annual Depreciation	\$144,500	
	Unfunded Depreciation	\$69,500	
<b>DEPRECIATION</b>	% Dep. To Be Funded	63%	
	Dep. To Be Funded	\$91,729	
	Add. Dep. To Be Included in Rev.	\$16,729	
	Needed Revenue	\$104,953	
	Service Factor		
	No. of Services	308	
	\$/month increase	\$16.22	
<b>NEW REVENUE</b>	Annual	\$59,949	
	Additional Revenue Needed	\$45,004	
	Volume of Water	195 AF	
	Average Increase/AF	\$231 /AF	
	Current Average Rate	\$995 /AF	
	<b>Proposed Rate</b>	<b>\$1,226 /AF</b>	
		<b>\$2.81 /ccf</b>	

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

# COMMENTS

All 20 Comment Letters Received Prior to today's meeting were distributed to all District Board Members

## **SUMMARY OF TOPICS:**

- **FLAT RATE NOT CONSERVATION-BASED**
- **AFFORDABILITY**
- **REASON FOR DEFICIT**
- **LAKE LEVEL/RECREATION**
- **COST SHARING**
- **AG METERS**
- **POA LETTER**

# FLAT RATE NOT CONSERVATION

I believe that the current five tier system discourages excessive water use, which is particularly important in light of the recent drought. Given that there are likely supplemental water supply costs associated with servicing Garner Valley accounts during high demand periods (e.g. lease costs associated with privately-held wells), it seems appropriate to maintain a tiered rate structure, where higher use generally results in a higher cost of service. Under the proposed, single rate structure---and as a low water user---I will effectively be subsidizing those rate

**Rates must be reasonably based on the cost of providing the service.**

**With only groundwater from District wells as the only source, a single rate is the most defensible structure.**

**Still, customers who use less water will have lower bills than those who use more water.**

# AFFORDABILITY

**Compassion is the hallmark of our society. We do not throw debtors in prison, we do not starve the hungry, we attempt to house the homeless. And so it is my wish and request that the Board of Directors, in passing a rate increase, consider the horrible impact on those less fortunate than most and provide for a much lower rate in a tiered system in which the overall revenue would be the same by raising the rates on the top tier and lowering the rates on the bottom tier so those needing water just to live are not unfairly impacted.**

**Rates must be reasonably based on the cost of providing the service. Intentionally setting a rate to benefit one group of customers at the expense of others is not legally defensible.**

**State (AB401) is researching financial assistance programs for low income tax payers/water customers.**

# DEFICIT

Second, \$1.7M loss is attributed to Garner Valley annually; what accounts for this loss? After attending a Homeowners Meeting last night (Monday July 17), I left with the impression that the loss was actually money that should have been put aside for future improvements and repairs (depreciated facilities?). If this is a correct assumption, then why hasn't LHMWD been setting aside these funds on a regular basis?

- The deficit is a result of long term revenue being less than expenses.
- Rates have simply been too low, have not been increased in 7 years and are much lower than surrounding agencies.
- Even with the increase, the proposed rates are less than half of the two closest water agencies.
- Last rate increase was hoped to pay back deficit and fund more depreciation but did not sustain initial level.

# LAKE LEVEL/RECREATION

**4. How has using Lake Hemet for a recreational resort impacted GV rates? Are we importing more water from MWD or EMWD because of this?**

- The lake level has not had any impact on the costs or finances for the Garner Valley System for any reason including those related to the recreation component.**
- During the drought, more imported water was being used in Hemet and those costs are included in the rates for the customer who use imported water.**

# COST SHARING

**3. Do other customers under LHMWD share in helping fund GV or is everything related to GV funded by GV residents?**

**-The costs to operate and provide service in the Garner Valley system are paid by the Garner Valley users. Some General and Administrative costs are shared and allocated based on % of expenses described previously.**



# AG METERS

**7. Can GV have two separate meters; one for residential and one for agriculture? And if so, what would be the cost to provide these meters and infrastructure?**

**-Theoretically there is not a limit on the number of meters. However, there cost of water would be same for each. There is not an existing or proposed agricultural/irrigation rate in Garner Valley.**

# POA LETTER



Board of Directors of Lake Hemet Municipal Water District  
 P.O. Box 5039  
 26385 Fairview Ave.  
 Hemet, Ca. 92544-0039

Re: Proposed Increases to Garner Valley Water Rates And Charges

Dear Board Members:

This letter is provided to you on behalf of the members of the Garner Valley Property Owners Association. We respectfully request that you postpone for approximately two months the planned public hearings and vote scheduled for August 17, 2017 on the above-referenced increases to water rates and charges applying to the ratepayers of Garner Valley. We are requesting postponement to allow appropriate time to analyze the legal bases you have asserted for the proposed rate increases. We intend to employ professional services, both legal and accounting, to assist us with the necessary analysis of the proposed rates. The hoped-for outcome of this effort is to reach an accord with the District on rates which can be concluded to be valid and appropriate.

Some of the basic issues we wish to discuss involve the application of Proposition 218 principles to the proposed rates and charges. Based on the contents of your notice of hearing, those principles appear to be violated by your proposal for the reasons explained below.

Proposition 218 enacted California Constitution Article 13 D prescribing criteria for valid increases in property related fees, including water rates. Subsection (b) 1 and 3 of Article 13 D require that water rates not exceed funds required to provide water service to the ratepayers and that the amount charged to any parcel or person shall not exceed the proportional cost of service attributable to the parcel in question. The rationale

# POA LETTER- DEFICIT

First, your notice attributes 23% of the increase to a need to make up previous deficits resulting from insufficient rates to meet operational expenses in past years and to cover past annual depreciation of assets. So, plainly, a large percentage of the increase is not based on the present cost of providing water to the Garner Valley ratepayers. Rather, the increase is an attempt to recoup costs incurred in the past in providing service. And, that past service was not necessarily even provided to present ratepayers and property owners in Garner Valley.

**-Past deficits, loans, and debt may be included in rates.**

- At the end of the day, all of this revenue is still to be used for the purpose for which it is collected, which is to provide reliable water, and the District has the right and obligation to engage in sound financial planning and management, and to ensure the continued provision of water.**

# POA LETTER- TIERS

In addition, you continue to propose a multi-tiered rate structure. But there is no explanation for the basis of the tiers contained in your notice or any materials supplied by you. The only legal basis for tiers is cost differentials. Tiers cannot be imposed to implement social policy such as fostering conservation.

**-The existing rate structure includes 5 tiers. The proposed rate structure is a single rate.**

# PRESENTATION

- **SUMMARY OF EFFORTS TO DATE**
  - Board Review
  - Prop. 218 Notice
  - Proposed Rates
  
- **RATE COMPARISON**
  
- **REVIEW FINANCIAL DATA**
  - Past Deficit
  - General & Administration Expense Allocation
  - Review Rate Determination
  
- **COMMENTS SUBMITTED**
  
- **RECOMMENDATION/SCHEDULE**

## RECOMMENDATION

- 23% Rate Change for Garner Valley to fund deficit over 20 years and 63% depreciation
- Match Garner Valley Service Factor to H/SJ
- Phase Increase equally over 2 years
- Include CPI and pass-through authorization for next 5 years for all rates
- Action Scheduled for 5:30 pm, August 17 at District Board Room
- October 1, 2017- Rate increases effective

**At the end of the day, all of this revenue is still to be used for the purpose for which it is collected, which is to provide reliable water, and the District has the right and obligation to engage in sound financial planning and management, and to ensure the continued provision of water**

Lake Hemet Municipal Water District

# DIRECTION/COMMENTS

